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LEGISLATIVE HISTORY

Public Law 387--78th Congress

Chapter 329--2d Session

H. R. 4102

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U.S.D.C.
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DIGEST OF PUBLIC LAW 387

LAND BANK COMMISSIONER LOANS. Continues the 3½% interest rate on Land Bank Commissioner loans until July 1, 1944, and provides for 4% interest on such loans from July 1, 1944, to July 1, 1945.

INDEX AND SUMMARY OF HISTORY OF H. R. 4102

February 1, 1944	H. R. 4102 was introduced by Rep. Murray and was referred to the Committee on Agriculture. Print of the bill as introduced.
March 20, 1944	S. 1792 was introduced by Senator Wheeler and was referred to the Senate Committee on Banking and Currency. Print of the bill as introduced.
April 27, 1944	House Committee on Agriculture reported H. R. 4102 with an amendment. House Report 1401. Print of the bill as amended.
May 15, 1944	H. R. 4102 discussed in the House.
May 22, 1944	House Rules Committee reported a resolution for the consideration of H. R. 4102.
May 24, 1944	H. R. 4102 debated and passed House as reported.
May 25, 1944	H. R. 4102 referred to the Senate Committee on Banking and Currency. Print of the bill as referred. Remarks of Rep. Lemke.
May 31, 1944	Senate Committee reported H. R. 4102 without amendment. Senate Report 927. Print of the bill as reported.
June 8, 1944	Amendments proposed by Senator Wheeler.
June 22, 1944	H. R. 4102 discussed and passed Senate as reported.
June 30, 1944	Approved. Public Law 387.

78TH CONGRESS
2D SESSION

H. R. 4102

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1944

Mr. MURRAY of Wisconsin introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the first sentence of paragraph Twelfth of section
4 12 (relating to the $3\frac{1}{2}$ per centum interest rate on Federal
5 land bank loans) of the Federal Farm Loan Act, as amended
6 (U. S. C., 1940 edition, Supp. II, title 12, sec. 771), is
7 amended by striking out "occurring within a period of nine
8 years commencing July 1, 1935" and inserting in lieu
9 thereof "occurring within a period of eleven years com-
10 mencing July 1, 1935".
11 (b) The fifth sentence of said paragraph Twelfth (re-

1 lating to the 1944 time limit on payments made by the
2 United States to land banks on account of such interest
3 reduction), is amended to read as follows: "No payments
4 shall be made to a bank with respect to any period after
5 June 30, 1946."

6 SEC. 2. The last paragraph of section 32 (relating
7 to reduction in the interest rate on loans by the Land
8 Bank Commissioner) of the Emergency Farm Mortgage
9 Act of 1933, as amended (U. S. C., 1940 edition, Supp.
10 II, title 12, sec. 1016 (i)), is amended to read as follows:
11 "Notwithstanding the foregoing provisions of this section,
12 the rate of interest on loans made under this section shall
13 not exceed 4 per centum per annum for all interest payable
14 on installment dates occurring on or after July 22, 1937,
15 and prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ per
16 centum per annum for all interest payable on installment
17 dates occurring on or after July 1, 1940, and prior to July
18 1, 1946. Notwithstanding the interest rate provided for
19 in so-called purchase-money mortgages and real estate
20 sales contracts taken by the Federal Farm Mortgage Corpora-
21 tion, the rate of interest payable on such mortgages and
22 contracts shall not exceed 4 per centum per annum for all
23 interest payable on installment dates occurring on and after
24 July 1, 1944, and prior to July 1, 1946."

78TH CONGRESS
2D SESSION

H. R. 4102

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

By Mr. MURRAY of Wisconsin

FEBRUARY 1, 1944

Referred to the Committee on Agriculture

78TH CONGRESS
2D SESSION

S. 1792

IN THE SENATE OF THE UNITED STATES

MARCH 20 (legislative day, FEBRUARY 7), 1944

Mr. WHEELER introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the first sentence of paragraph Twelfth of section
4 12 (relating to the $3\frac{1}{2}$ per centum interest rate on Federal
5 land bank loans) of the Federal Farm Loan Act, as amended
6 (U. S. C., 1940 edition, Supp. II, title 12, sec. 771), is
7 amended by striking out "occurring within a period of nine
8 years commencing July 1, 1935" and inserting in lieu thereof
9 "occurring within a period of eleven years commencing
10 July 1, 1935".

1 (b) The fifth sentence of said paragraph Twelfth (re-
2 lating to the 1944 time limit on payments made by the
3 United States to land banks on account of such interest
4 reduction) is amended to read as follows: "No payments
5 shall be made to a bank with respect to any period after
6 June 30, 1946."

7 SEC. 2. The last paragraph of section 32 (relating to
8 reduction in the interest rate on loans by the Land Bank
9 Commissioner) of the Emergency Farm Mortgage Act of
10 1933, as amended (U. S. C., 1940 edition, Supp. II, title
11 12, sec. 1016 ~~(i)~~), is amended to read as follows:

12 "Notwithstanding the foregoing provisions of this sec-
13 tion, the rate of interest on loans made under this section
14 shall not exceed 4 per centum per annum for all interest
15 payable on installment dates occurring on or after July 22,
16 1937, and prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$
17 per centum per annum for all interest payable on install-
18 ment dates occurring on or after July 1, 1940, and prior
19 to July 1, 1946. Notwithstanding the interest rate pro-
20 vided for in so-called purchase-money mortgages and real
21 estate sales contracts taken by the Federal Farm Mortgage
22 Corporation, the rate of interest payable on such mortgages
23 and contracts shall not exceed 4 per centum per annum for
24 all interest payable on installment dates occurring on and
25 after July 1, 1944, and prior to July 1, 1946."

78TH CONGRESS
2^D SESSION

S. 1792

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

By Mr. WHEELER

MARCH 20 (legislative day, FEBRUARY 7), 1944

Read twice and referred to the Committee on
Banking and Currency



FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

APRIL 27, 1944.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. PACE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 4102]

The Committee on Agriculture, to whom was referred the bill (H. R. 4102) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, having considered the same, report thereon with a recommendation that it do pass, as amended.

Strike out all after the enacting clause, and insert the following:

That the first sentence of the last paragraph of section 32 (relating to reduction in the interest rate on loans by the Land Bank Commissioner) of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1940 edition, supp. II, title 12, sec. 1016 (j)), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945."

Change the title to read:

A bill to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans.

STATEMENT

Federal land-bank loans: The interest rate on Federal land-bank loans made through national farm-loan associations in the continental United States is fixed by law at a rate not exceeding, except with the approval of the Governor of the Farm Credit Administration, 1 per cent per annum more than the interest rate borne by the last series of farm-loan bonds, but not to exceed 6 percent (12 U. S. C. 771). On loans to direct borrowers, the rate is one-half of 1 percent per annum

higher than on loans made through national farm-loan associations (12 U. S. C. 723 (b)). Similarly, the rate of $1\frac{1}{2}$ percent above the bond interest rate may be charged to borrowers in Puerto Rico (12 U. S. C. 672).

The amount of land-bank loans outstanding on December 31, 1942, and the different interest rates stipulated in the loan contracts were as follows:

Rate	Number	Amount	Rate	Number	Amount
4 percent-----	112,260	\$394,559,280.56	5.50 percent-----	163,673	\$348,105,044.33
4.25 percent-----	13,646	44,648,014.27	5.75 percent-----	7	23,269.55
4.50 percent-----	4,161	11,560,977.36	6 percent-----	26,601	50,836,233.82
4.75 percent-----	398	994,364.47	6.50 percent ¹ -----	129	640,406.94
5 percent-----	224,049	719,480,519.68	Total-----	554,163	1,602,846,043.61
5.25 percent-----	9,239	31,997,932.63			

¹ All loans at this rate are outstanding in Puerto Rico.

The farm-loan bonds outstanding as of December 31, 1943, and the rates of interest carried by the respective issues, are as follows:

Federal land banks—Consolidated Federal farm-loan bonds outstanding on Dec. 31, 1943

Issue date	Term	Interest rate	Dollar volume
	<i>Years</i>	<i>Percent</i>	
May 15, 1934-----	10-30	4	¹ \$235,190,100
July 1, 1934-----	10-12	4	124,632,800
July 15, 1934-----	10-30	4	70,680,000
Sept. 15, 1934-----	10-30	4	¹ 53,911,700
Mar. 15, 1935-----	10-30	3½	¹ 5,625,500
Do-----	10-30	3¾	¹ 38,592,900
Do-----	10-30	3	¹ 73,824,600
May 1, 1935-----	10-20	3¾	157,278,000
July 1, 1935-----	10-20	3	230,063,700
Jan. 1, 1936-----	10-20	3	170,812,700
May 1, 1936-----	10-20	3	170,264,900
Total-----			1,361,866,900
Amount outstanding Dec. 31, 1941-----			1,716,233,140
Amount outstanding Dec. 31, 1942-----			1,532,687,140
Amount outstanding Dec. 31, 1943-----			1,361,866,900

¹ Entire issue held by Federal Farm Mortgage Corporation.

Reduction of interest paid by Federal land-bank borrowers was first authorized in the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (48 Stat. 43). This act authorized reduction to $4\frac{1}{2}$ percent where the contract rate was higher than that for the period from July 1, 1933, to June 30, 1938, with provision for reimbursement to the Federal land banks from the Federal Treasury in an amount equal to the difference between the effective rate and the contract rate. The act of June 3, 1935 (49 Stat. 314), however, reduced the effective rate to $3\frac{1}{2}$ percent for 1 year from July 1, 1935, and successive reductions to $3\frac{1}{2}$ percent have been authorized by the act of June 24, 1936 (49 Stat. 1912); July 22, 1937 (50 Stat. 521); June 16, 1938 (52 Stat. 709); June 29, 1940 (54 Stat. 684); and June 27, 1942 (56 Stat. 391). The act of June 27, 1942, provided for interest-rate reduction on maturities occurring between July 1, 1942, and June 30, 1944. The acts of June 29, 1940, and June 27, 1942, provided that the effective interest rate on purchase money mort-

gages and sales contracts should be one-half of 1 percent higher than the effective rate on Federal land-bank loans (in other words, 3½ and 4 percent, respectively).

The appropriations by the Congress to reimburse the Federal land banks for these reductions in interest rates are as follows:

1934-----	\$15, 000, 000	1941-----	\$28, 167, 000
1935-----	7, 950, 000	1942-----	26, 800, 000
1936-----	36, 000, 000	1943-----	24, 800, 000
1937-----	30, 000, 000	1944-----	21, 800, 000
1938-----	31, 700, 000		
1939-----	30, 750, 000	Total-----	282, 667, 000
1940-----	29, 700, 000		

The following consolidated statement shows the condition of the Federal land banks as of December 31, 1943:

Federal land banks—Consolidated statement of condition, Dec. 31, 1943

ASSETS

Mortgage loans, unpaid principal-----	\$1, 357, 937, 416. 78	
Less matured principal unpaid (in-		
cluded in delinquent install-		
ments)-----	2, 180, 163. 83	
		\$1, 355, 757, 252. 95
Purchase money mortgages, contracts,		
etc., unpaid principal-----	98, 396, 601. 81	
Less matured principal unpaid (in-		
cluded in delinquent install-		
ments)-----	604, 243. 50	
		97, 792, 358. 31
Unmatured extensions-----		3, 435, 978. 74
Delinquent installments, advances, etc-----		7, 773, 626. 18
Accrued interest receivable on mortgage loans-----		18, 754, 097. 53
Total-----		1, 483, 513, 313. 71
Less reserve-----		79, 286, 477. 83
Net-----		1, 404, 226, 835. 88
Cash-----		41, 301, 623. 15
Due from the Secretary of the Treasury-----		6, 280, 346. 55
Accounts receivable-----		2, 615, 329. 76
U. S. Government obligations, direct and fully guaranteed		
(par \$396,392,100)-----		398, 415, 606. 54
Other bonds and securities-----		17, 004, 249. 50
Accrued interest receivable on securities-----		1, 641, 698. 53
Real estate owned (investment)-----	\$16, 839, 343. 96	
Less reserve-----	3, 861, 253. 67	
		12, 978, 090. 29
Loans called for foreclosure, judgments, etc.		
(investment)-----	3, 048, 343. 30	
Less reserve-----	727, 664. 76	
		2, 320, 678. 54
Loans in suspense, security held by Federal		
Farm Mortgage Corporation (invest-		
ment)-----	2, 997, 687. 23	
Less reserve-----	649, 016. 70	
		2, 348, 670. 53
Deferred expense-----		6, 568, 969. 07
Other assets-----	9, 148, 062. 81	
Less reserve-----	3, 788, 944. 78	
		5, 359, 118. 03
Total assets-----		1, 901, 061, 216. 37

Federal land banks—Consolidated statement of condition, Dec. 31, 1943—Continued

LIABILITIES

Consolidated Federal farm-loan bonds outstanding ¹	\$1,361,866,900.00	
Less on hand.....	64,500.00	
		\$1,361,802,400.00
Matured obligations ²		1,953,954.67
Notes payable.....		3,052,531.32
Accrued interest payable.....		14,587,848.21
Deferred proceeds of loans.....		925,795.16
Accounts payable.....		246,938.73
Trust accounts.....		9,648,325.24
Payments received on unmatured indebtedness.....		24,450,923.71
Taxes and assessments due on bank-owned real estate.....		60,865.66
Other liabilities.....		5,082,673.36
Deferred income.....		49,596.52
Capital stock owned by:		
U. S. Government.....	\$120,259,520.00	
National farm loan associations.....	85,480,827.50	
Direct borrowers and others.....	2,517,930.00	
		208,258,277.50
Paid-in surplus.....		142,021,669.20
Legal reserve.....		75,343,601.62
Earned surplus.....		53,575,815.47
Total liabilities.....		1,901,061,216.37

¹ Includes \$1,306,300 bonds sold to national farm loan associations at par under repurchase agreements.² Federal farm loan bonds matured or called and matured interest on bonds.

Federal land banks—Consolidated profit and loss statements, 6-month and 12-month period ended Dec. 31, 1943

	July 1 to Dec. 31, 1943	Jan. 1 to Dec. 31, 1943
EARNINGS		
Interest:		
Mortgage loans.....	\$34,440,700.01	\$71,919,335.11
Purchase-money mortgages, contracts, and other.....	3,825,359.63	6,731,968.51
U. S. Government obligations, direct and fully guaranteed, and other securities (net).....	2,772,171.72	5,000,529.99
Total.....	41,038,231.36	83,651,833.61
Other income:		
Loan fees.....	173,299.15	260,863.66
Miscellaneous.....	16,301.21	45,170.78
Total.....	189,600.36	306,034.44
Gross earnings.....	41,227,831.72	83,957,868.05
DEDUCTIONS FROM EARNINGS		
Interest:		
Federal farm-loan bonds (net).....	28,889,012.33	59,009,507.25
Notes payable.....	6,592.46	44,075.80
Other interest expense.....	418,649.55	708,190.78
Total.....	29,314,254.34	59,761,773.83
Operating expense.....	6,317,662.36	12,629,959.27
Total deductions from earnings.....	35,631,916.70	72,391,733.10
Net operating earnings.....	5,595,915.02	11,566,134.95
OTHER EARNINGS		
Mortgage loan and real-estate transactions.....	-602,754.54	1,489,470.73
Profit on sale of securities.....	182,832.69	821,972.29
Miscellaneous other earnings.....	185,875.48	267,512.88
Total other earnings.....	-234,046.37	2,578,955.90
OTHER DEDUCTIONS		
Mortgage loan and real-estate transactions.....	765,473.27	4,132,701.27
Loss on sale of securities.....	2,063.98	39,698.43
Total other deductions.....	767,537.25	4,172,399.70
Net profit before adjustment of reserves.....	4,594,331.40	9,972,691.15
Adjustment of reserves (net).....	5,148,225.85	8,633,972.43
Net profit after adjustment of reserves.....	-553,894.45	1,338,718.72

Land Bank Commissioner loans: The Emergency Farm Mortgage Act, approved May 12, 1933 (12 U. S. C. 1016 (c)), fixes the rate on Land Bank Commissioner loans "at not to exceed 5 percent per annum." This has uniformly been the contract rate on these loans. The first statute providing for payment of interest by borrowers on Land Bank Commissioner loans at rates lower than the contract rate was the act of July 22, 1937 (50 Stat. 521), which fixed the effective rate at 4 percent between that date and June 30, 1939. The act of June 16, 1938 (52 Stat. 709), extended this period for 1 year to June 30, 1940. The act of June 29, 1940, reduced the effective rate to 3½ percent on maturities occurring from July 1, 1940, to June 30, 1942. This was continued for an additional 2 years to June 30, 1944, by the act of June 27, 1942. This latter act also provided for a 4-percent effective rate on purchase money mortgages and sales contracts held by the Federal Farm Mortgage Corporation.

On December 31, 1943, the Land Bank Commissioner loans outstanding totaled \$406,190,206, or over \$106,000,000 less than they were on the same date in 1942, when the total was \$512,197,416.

The Federal Farm Mortgage Corporation bonds outstanding as of December 31, 1943, and the rates of interest carried by the respective issues, are as follows:

Federal Farm Mortgage Corporation—Federal Farm Mortgage Corporation bonds outstanding on Dec. 31, 1943

Issue date	Term	Interest rate	Dollar volume
	<i>Years</i>	<i>Percent</i>	
Mar. 15, 1934	10-30	3½	\$94, 678, 600
May 15, 1934	10-15	3	835, 055, 600
Total			929, 764, 200
Amount outstanding Dec. 31, 1941			1, 269, 387, 900
Amount outstanding Dec. 31, 1942			976, 764, 200
Amount outstanding Dec. 31, 1943			929, 764, 200

The appropriations by the Congress to reimburse the Federal Farm Mortgage Corporation for these reductions in interest rates are as follows:

1938	\$7, 500, 000	1943	\$9, 000, 000
1939	8, 200, 000	1944	7, 400, 000
1940	7, 425, 000		
1941	10, 000, 000	Total	59, 125, 000
1942	9, 600, 000		

However, inasmuch as the Federal Farm Mortgage Corporation is entirely owned by the United States Government, these appropriations by the Congress amount to no more than bookkeeping entries.

From the foregoing, it will be observed that for the 11-year period, July 1, 1933, to June 30, 1944, the Congress, through these several acts and appropriations, has granted the borrowers from the Federal land banks and the Federal Farm Mortgage Corporation reductions in their interest charges totaling \$341,792,000.

The committee believe these reductions were fully justified, in fact necessary, for during most of this period the farmers were providing the people of the Nation with food and fiber at less than the cost of production.

But since the last act (June 27, 1942) providing for these interest reductions, there have been two notable developments, namely:

First. There have been substantial improvements in farm prices and farm income. The producers are paying off the mortgages on their farms at a greatly accelerated rate and are in better position to pay a rate of interest at least equal to the cost of money and the expense of making and servicing the loan.

Second. All of the Federal land banks have voluntarily reduced the interest rate on outstanding loans made through the associations to 4 percent per annum, commencing July 1, 1944. This rate will continue throughout the life of the loans and will not require any payment or reimbursement from the United States Treasury. In addition, the land banks are now making new loans at 4 percent, and with economies in operation and the reduced cost of money they plan to continue indefinitely to make loans at 4 percent.

The following is the announcement on September 30, 1943, by the Governor of the Farm Credit Administration with regard to the reduction in interest to go into effect on July 1, 1944:

Action has been taken by the 12 Federal land banks which will assure a third of a million land-bank borrowers continued low interest rates and at the same time will save the Federal Treasury approximately \$20,000,000 in the next fiscal year, A. G. Black, Governor of the Farm Credit Administration, announced today.

The action will substitute a 4-percent interest rate for higher rates on 98 percent of the loans made by the land banks prior to June 25, 1935. Some earlier loans were written at rates as high as 6 percent.

Practically all land-bank loans made since June 1935 carry a 4-percent interest rate. In Puerto Rico, where land-bank-loan rates have been from $4\frac{1}{2}$ to $6\frac{1}{2}$ percent in the past, the rate for all loans will be standardized at $4\frac{1}{2}$ percent.

Since 1933 land-bank borrowers have paid lower rates of interest than originally provided for in their loans, under legislation which Congress passed in that year and which has been renewed from time to time since then. The current legislation, which makes up out of Federal funds the difference between the original loan interest rates and the reduced rates, expires June 30, 1944. Upon expiration of this legislation the action of the land banks becomes effective.

"The action of the land banks will make continuation of this subsidy unnecessary unless Congress determines to continue the present rate of $3\frac{1}{2}$ percent," Governor Black said. "In any event it guarantees farmers that their interest rates through the life of their loans will not exceed 4 percent.

"The land banks' 4-percent rate is the lowest at which farmers generally ever have been able to obtain long-term mortgage credit," Governor Black said.

"The 5- and 6-percent loans were low-cost loans when made. They reflected the cost of money in the bond market at those times. Since then the Federal land banks have refinanced their highest-rate bonds, and the voluntary reduction by the banks of the higher interest rates on their older loans is simply passing on to their borrowers the savings made possible by cooperative action."

In addition, it is the judgment of the committee that it will prove to the long-time interest of the farmers of the Nation to put farm credit on a sound and self-supporting basis as soon as possible and as rapidly as the financial condition of the farmers will permit. As long as drains are made upon the Treasury in order to pay subsidies in connection with farm credit, there remains constant criticism of the system and the constant danger of the critics gaining sufficient influence to destroy the system. It means too much to the farmers of the Nation now and in the years to come to entertain any thought of its destruction or the continuance of any practices which would justify its impairment.

The committee have therefore concluded that it is in the interest of the farmers of the Nation and of the welfare of the Nation that the

reduction of interest to the rate of 3½ percent per annum on land-bank and Commissioner loans be discontinued upon the expiration of the present authority for such reductions and that the voluntary flat rate of 4 percent on land-bank loans be accepted. Therefore the bill as amended and reported by the committee deals only with the Commissioner loans. As stated above, the rate on these loans will return to 5 percent per annum on July 1 unless legislative action is taken prior to that time.

The committee feel that 5 percent interest on this type of long-time loan, considering the present supply of money, its cost, and the fact that these loans are secured by real estate which is now worth considerably more than at the time the loans were negotiated, is too high at the present time. While it is true that the outstanding bonds of the Federal Farm Mortgage Corporation bear interest at 3 percent, they are all callable not later than May 15 of this year and can be refinanced at a less rate of interest. It is believed that an interest rate to the borrower of 4 percent will be sufficient to pay the cost of the money and the cost of negotiating and servicing these loans. For these reasons, we are reporting and recommending that the rate of interest on these Commissioner loans for the period of time July 1, 1944, to June 30, 1945, be fixed at 4 percent per annum.

The present authority to make Commissioner loans will expire on July 1, 1945, and it is anticipated that before that date this committee and the Congress will consider legislation touching on the question of whether or not these Commissioner loans should be made after the expiration of the present authority and whether changes should be made in the amount of loans which the Federal land banks are now authorized to make. Of course, at that time this question of interest rate will be considered by the committee and the Congress.

Therefore the single purpose of the bill as reported by the committee is to fix the interest rate on Commissioner loans from 1 year at 4 percent as against 3½ percent now charged and 5 percent after June 30 unless this bill is enacted. If the present authority should be continued for another 2 years with the rate of 3½ percent on both land-bank and Commissioner loans, it is estimated that the charge against the Treasury would be \$11,700,000 for the fiscal year 1945, and \$9,900,000 for the fiscal year 1946, as indicated by the following statement:

Estimated amounts required for interest reductions fiscal years 1945 and 1946, if provisions of present act extended to July 1, 1946

	Federal land banks	Federal Farm Mortgage Corporation
For fiscal year 1945.....	\$6,500,000	\$5,200,000
For fiscal year 1946.....	5,600,000	4,300,000

The bill as reported does not deal with nor seek to reduce the interest rate on purchase money mortgages of either land banks or the Federal Farm Mortgage Corporation. After June 30, these will bear 5-percent interest and this rate appears justified on account of the higher percentage of the value of the property which remains unpaid under these mortgages. After paying purchase mortgages down to 50

percent of the value of the security the borrower can secure a 4-percent loan from the Federal land bank, or after paying a purchase-money mortgage held by either the land banks or the Federal Farm Mortgage Corporation down to 75 percent of the normal value of the security, the borrower will be able to secure a 4-percent land bank and Commissioner loan. The amount of purchase money mortgages outstanding is shown by the following statement:

	Dec. 31, 1943	Dec. 31, 1942
Purchase-money mortgages:		
Federal land banks.....	\$98, 396, 602	\$114, 850, 768
Federal Farm Mortgage Corporation.....	19, 520, 033	20, 728, 246
Total.....	117, 916, 635	135, 579, 014

Neither does this bill treat with the interest rate on direct land bank loans or with loans made in Puerto Rico. Under the law, these are both fixed at one-half of 1 percent interest more than other loans, but under the law 10 or more holders of direct loans are authorized to form an association and thereby secure a reduction of one-half to 1 percent, or to 4 percent, in their interest charges.

The committee respectfully recommends passage of the bill as amended.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

EMERGENCY FARM MORTGAGE ACT OF 1933, AS AMENDED

Sec. 32 * * *

(Last paragraph:) Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944 **[.]**, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944.



Union Calendar No. 475

78TH CONGRESS
2D SESSION

H. R. 4102

[Report No. 1401]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1944

Mr. MURRAY of Wisconsin introduced the following bill; which was referred to the Committee on Agriculture

APRIL 27, 1944

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That ~~(a) the first sentence of paragraph Twelfth of section~~
4 ~~12 (relating to the $3\frac{1}{2}$ per centum interest rate on Federal~~
5 ~~land bank loans) of the Federal Farm Loan Act, as amended~~
6 ~~(U. S. C., 1940 edition, Supp. II, title 12, sec. 771); is~~
7 amended by striking out "occurring within a period of nine
8 years commencing July 1, 1935" and inserting in lieu
9 thereof "occurring within a period of eleven years com-

10 mencing July 1, 1935".

1 (b) The fifth sentence of said paragraph Twelfth (re-
2 lating to the 1944 time limit on payments made by the
3 United States to land banks on account of such interest
4 reduction), is amended to read as follows: "No payments
5 shall be made to a bank with respect to any period after
6 June 30, 1946."

7 SEC. 2. The last paragraph of section 32 (relating
8 to reduction in the interest rate on loans by the Land
9 Bank Commissioner) of the Emergency Farm Mortgage
10 Act of 1933, as amended (U. S. C., 1940 edition, Supp.
11 II, title 12, sec. 1016 (i)), is amended to read as follows:
12 "Notwithstanding the foregoing provisions of this section,
13 the rate of interest on loans made under this section shall
14 not exceed 4 per centum per annum for all interest payable
15 on installment dates occurring on or after July 22, 1937,
16 and prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ per
17 centum per annum for all interest payable on installment
18 dates occurring on or after July 1, 1940, and prior to July
19 1, 1946. Notwithstanding the interest rate provided for
20 in so-called purchase-money mortgages and real estate
21 sales contracts taken by the Federal Farm Mortgage Corpora-
22 tion, the rate of interest payable on such mortgages and
23 contracts shall not exceed 4 per centum per annum for all
24 interest payable on installment dates occurring on and after
25 July 1, 1944, and prior to July 1, 1946."

1 *That the first sentence of the last paragraph of section 32*
2 *(relating to reduction in the interest rate on loans by the Land*
3 *Bank Commissioner) of the Emergency Farm Mortgage Act*
4 *of 1933, as amended (U. S. C., 1940 edition, Supp. II, title*
5 *12, sec. 1016 (i)), is amended to read as follows: "Notwith-*
6 *standing the foregoing provisions of this section, the rate of*
7 *interest on loans made under this section shall not exceed 4*
8 *per centum per annum for all interest payable on installment*
9 *dates occurring on or after July 22, 1937, and prior to July*
10 *1, 1940, and shall not exceed $3\frac{1}{2}$ per centum per annum for*
11 *all interest payable on installment dates occurring on or after*
12 *July 1, 1940, and prior to July 1, 1944, and shall not exceed*
13 *4 per centum per annum for all interest payable on install-*
14 *ment dates occurring on or after July 1, 1944, and prior to*
15 *July 1, 1945."*

Amend the title so as to read: "To extend for one additional year the reduced rate of interest on Land Bank Commissioner loans."

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

By Mr. MURRAY of Wisconsin

FEBRUARY 1, 1944

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made regular postal employees. Congress passed an act last year making them full-fledged postal employees. One of the bills that was vetoed by the President before the custodial employees came under the Postal Service was a bill allowing an automatic promotion at the end of 1 year, but they were not custodial employees of the Post Office Department at that time.

Mr. COLE of New York. Is this the first bill relating to custodial employees that has been offered to the House since they have been actually transferred from the Treasury to the Post Office Department?

Mr. MURRAY of Tennessee. That is correct.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all officers and employees (other than charmen and charwomen working part time) of the custodial service of the Post Office Department shall, at the end of each year's satisfactory service, be promoted, at the beginning of the first quarter following the completion of such year's service, to the compensation rate next higher than that of which he is then in receipt until the maximum rate of compensation for the grade to which his position is allocated is reached.

Sec. 2. The sixth paragraph of section 6 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925, as amended (U. S. C., 1940 ed., title 39, sec. 116, sixth paragraph), is amended to read as follows:

"Dispatchers, mechanics-in-charge, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the Motor Vehicle Service, employees of the pneumatic-tube system, and employees of the custodial service, shall be required to work not more than 8 hours a day. The 8 hours of service shall not extend over a longer period than 10 consecutive hours, and the schedules of duties of the employees shall be regulated accordingly. In cases of emergency, or if the needs of the service require, special clerks, clerks, dispatchers, mechanics-in-charge, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the Motor Vehicle Service, employees of the pneumatic-tube system, and employees of the custodial service, can be required to work in excess of 8 hours per day, and for such overtime service they shall be paid on the basis of the annual pay received by such employees. In computing the compensation for such overtime the annual salary or compensation for such employees shall be divided by 306, the number of working days in the year, less all Sundays and legal holidays enumerated in the act of July 28, 1916; the quotient thus obtained will be the daily compensation which divided by 8 will give the hourly compensation for such overtime service. When the needs of the service require the employment on Sundays and holidays of route supervisors, special clerks, clerks, dispatchers, mechanics-in-charge, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the Motor Vehicle Service, employees of the pneumatic-tube system, and employees of the custodial service, they shall be allowed compensatory time on 1 day within 6 days next succeeding the Sunday, except the last three Sundays in the calendar year, and on 1 day within 30 days next succeeding the holi-

day and the last three Sundays in the year on which service is performed: *Provided, however,* That the Postmaster General may, if the exigencies of the service require it, authorize the payment of overtime in lieu of compensatory time for service on Sundays and holidays."

Sec. 3. The act entitled "An act to provide a differential in pay for night work in the Postal Service," enacted May 24, 1928, as amended (U. S. C., 1940 ed., title 39, sec. 828), is amended by striking out the words "motor-vehicle and pneumatic-tube services," and inserting in lieu thereof the following: "motor-vehicle, pneumatic-tube, and custodial services."

Sec. 4. This act shall not be applied so as to reduce the compensation or grade of any employee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PRIEST. Mr. Speaker, that concludes the call of the eligible bills on the Consent Calendar at this time.

EMERGENCY REPAIRS TO FLOOD CONTROL WORK

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4793) to provide for emergency flood control work made necessary by recent floods, Calendar No. 310.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTINGTON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Mississippi explain the bill and also the emergency?

Mr. WHITTINGTON. Mr. Speaker, I will be glad to do so.

This bill is an emergency authorization for the appropriation of the sum of \$12,000,000, for the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by recent floods and for the completion of repair work that was begun under the emergency appropriation of \$10,000,000 authorized and made in 1943. The urgency for this appropriation is fully set forth in the report of the committee and it grows out of the fact that the major floods of 1944 are still in progress downstream in the midcontinent area along the upper Mississippi River and its tributaries, the Missouri and its tributaries, the Arkansas and its tributaries and there have been floods on other rivers in the United States.

The bill reported by the Committee on Flood Control is in substantially the same language as the emergency authorization for similar work reported by the committee, passed by the House and approved by the President on July 12, 1943, and known as Public Law 138. The amount of the damages caused by the floods in 1944, the number of deaths, the number of acres of land overflowed, the estimate of repairs, and so forth, are generally set forth in the report which accompanies the bill. The Chief of Engineers recommends the prompt and immediate passage of the bill for the repair of breaks and crevasses in existing levees and flood control works growing out of

the recent floods and this authorization will enable him to complete similar repairs where there was lack of funds to complete in 1943.

The chairman of the committee, in accordance with a statement made by him when the authorization bill for post-war flood-control construction was before the House a week ago today, on Monday, May 8, introduced the pending bill as soon as he was furnished with information by the Chief of Engineers covering the estimated damages to existing flood control works, the number of acres overflowed, the damages to property, and deaths. The bill was referred to the Secretary of War, and on May 11 the Chief of Engineers submitted to the chairman of the committee a statement showing the amount of the costs of flood fighting and rescue work and the estimated cost of repairs and strengthening of levees and other flood-control works damaged or destroyed aggregating \$10,652,000. He stated, however, that on account of the magnitude of recent floods, it could not be definitely determined at this time the amount needed for repairs. He recommended, however, \$12,000,000. His recommendation was adopted by the committee, and the pending bill is an emergency authorization for \$12,000,000.

While the Chief of Engineers gave the names of rivers in his statement contained in the report, the bill only provides for repairs. If it develops that along the Yazoo, Snake, Boise, Willamette, or any other river named in the report, the works or projects or entire levees have been destroyed or substantially destroyed, and that the reconstruction or the construction of new flood-control works is essential, such works are not authorized in the bill. They are major improvements. Such improvements must be authorized as original projects upon reports by the Chief of Engineers. They are not authorized in the pending bill under the guise of emergency repairs. The language "for the repair, restoration, and strengthening," is identical with the language embraced in the emergency authorization bill of 1943. If a levee is breached or crevassed, it can be repaired and strengthened to the height and the size that may be necessary in the event it appears to the Chief of Engineers that the part of project not damaged nor destroyed should be raised or strengthened by a future authorization. The strengthening would enable the Chief of Engineers to make effective repairs, but as pointed out in the report of the committee, the bill does not provide for major improvements. It does not provide for reconstruction, it does not provide for extensions, and it does not provide for constructing new flood-control works where entire levees or entire projects have been destroyed and where it is necessary that substantially a new project should be constructed and, as stated, it will not be applicable to any river contained in the report unless repairs and not reconstruction or rebuilding or extensions are made.

It developed that the entire authorization and appropriation of \$10,000,000

in 1943 was expended before certain works were completed where repairs were undertaken under the emergency appropriation of 1943. The bill does provide that if any further repairs are needed, such repairs may be made, but in no case can a project be rebuilt or reconstructed as a major improvement or to take the place of a project completely destroyed under the guise of repairs.

Minor raisings, short extensions, and set-backs where they are in reality repairs that are necessary can be made, but no major improvements and no construction that amounts to rebuilding or reconstructing an entire levee or an entire project or substantially an entire levee or an entire project can be made. It happens that many years ago there were crevasses and levee breaks. They would not be recent. The authorization is only for recent floods, and certainly floods that had occurred prior to August 18, 1941, when the last flood-control authorization bill was approved by the President, would not be recent floods. The authorization is for emergency work. Unless the repairs are made quickly, large areas will remain subject to overflow from minor floods.

Mr. MARTIN of Massachusetts. Is it simply repair work?

Mr. WHITTINGTON. It is, and does not provide for the reconstruction or for the rebuilding of works where the projects or levees have been practically, substantially, or totally destroyed. It only provides for repairs, but in providing for repairs, if it is sound where a levee has been crevassed, it provides for strengthening those parts of the levees repaired or restored. It is not confined to the Missouri River or to the upper Mississippi or to the Arkansas. It applies to any river and any stream in the United States where existing flood-control works have been threatened or destroyed by recent floods, or by later floods, whether they were constructed by the local interests or by the Federal Government. No levees or flood-control works constructed by the Chief of Engineers in the floods of 1944 have been destroyed.

I may say in this connection that this bill was reported and placed on the calendar last Friday, May 12, too late to be taken up on the call calendar today under the rules, and it is being urged for consideration now because of the urgency of the matter. For instance, on the Missouri River—the principal sufferer in the 1944 flood—in 1943 there were three successive floods, and it is a matter of common knowledge that the major floods on the Missouri River occur annually in June.

The purpose of this appropriation is to provide that these funds shall be immediately available so that those works that have been destroyed may be repaired now to protect against the possible and probable June floods and rises in 1944.

Mr. MARTIN of Massachusetts. Is this a unanimous report of the committee?

Mr. WHITTINGTON. It is. There was an effort made to amend the bill but

it was not amended in the committee, and there is no minority report. Hence my answer that the report is unanimous.

I may say in this connection, as stated in the report, that the chairman of the committee took the bill up with the Bureau of the Budget. I stated in reporting the bill, that I believed the Bureau would advise that there is no objection to the submission of the bill.

Subsequently, after the filing of the report, on May 12, and late in the day, I received a letter from the Acting Director of the Budget dated May 12th. This letter is as follows:

MAY 12, 1944.

Hon. WILL M. WHITTINGTON,
Chairman, Committee on Flood Control,
House of Representatives,
Washington, D. C.

MY DEAR MR. WHITTINGTON: In response to your telephonic inquiry as to the views of the Bureau of the Budget on the bill H. R. 4793, "To provide for emergency flood-control work made necessary by recent floods, and for other purposes," I am writing to advise you that the enactment of the proposed legislation would not be in conflict with the program of the President.

Very truly yours,

PAUL H. APPELEY,
Acting Director.

I should like to say that the amounts of damages as contained in the report of the Chief of Engineers are estimates. It may not take as much money to repair the damages as he states on some streams, or it may take more. Moreover, this bill and the funds are applicable to the repair of any flood-control or levee works on any river or stream, whether they are specifically named in this bill or not, threatened or destroyed by recent floods, but if named in the report or the letter of the Chief of Engineers, and it develops that the entire levee, or substantially the entire levee or other works have been destroyed, the project could not be rebuilt or reconstructed under the guise of emergency repairs.

There is one thing further and finally. The bill also provides that if any levee or other flood-control works are destroyed or threatened at any time in the future before this sum has been expended, or in the language of the bill "by later floods," the repairs are covered without an additional authorization. This would provide, for instance, for any June rise on the Missouri River.

Mr. MARTIN of Massachusetts. I have no objection, Mr. Speaker.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, the gentleman said it also applies to other streams throughout the country?

Mr. WHITTINGTON. I will say it applies to all streams, in every basin in the United States, where flood-control works, levees, or flood walls or other protective works have been threatened, or destroyed by recent floods or by any later floods. I may say that includes any levees or other flood-control works on the Tombigbee River if they have been destroyed.

Mr. RANKIN. I thank the gentleman from Mississippi.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the sum of \$12,000,000 is hereby authorized to be appropriated as an emergency fund to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by the recent floods, or which may be threatened or destroyed by later floods, and for completion of work begun under the act entitled "An act to provide for emergency flood-control work made necessary by recent floods, and for other purposes," approved July 12, 1943: *Provided,* That pending the appropriation of said sum the Secretary of War may allot from existing flood-control appropriations such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriation herein authorized when made.

SEC. 2. The provisions of section 1 shall be deemed to be additional and supplemental to, and not in lieu of existing general legislation authorizing allocation of flood-control funds for restoration of flood-control works threatened or destroyed by flood.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRECTION OF THE RECORD

Mr. MASON. Mr. Speaker, on April 28 I made some remarks in the House in connection with the Montgomery Ward affair. These remarks, I have learned, were based upon a misunderstanding, and are in error. I therefore ask unanimous consent that the remarks I made on April 28, found on page 3869 of the RECORD, be expunged from the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different subjects and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[The matter referred to appears in the Appendix.]

FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

Mr. PACE. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 4102, to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, and that it be considered in the House as in the Committee of the Whole.

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, I think this is a very important measure relative to agriculture. Will the gentleman from Georgia inform me as to whether or not I am correct in assuming that an application for a rule has been made upon this particular measure?

Mr. PACE. The committee has not instructed anyone to make an application for a rule.

Mr. H. CARL ANDERSEN. That is not my question. Has not an applica-

tion for a rule been made upon this particular measure?

Mr. PACE. Not that I know of.

Mr. H. CARL ANDERSEN. I understand it has, Mr. Speaker.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I will say that an application for a rule has been made by the chairman of the Committee on Agriculture, but that does not in any way preclude discussion of the legislation on the floor today. If we are given ample time to discuss the legislation, it will be just as good for our side as if it came up under a rule. It is my understanding that we will have time to discuss it just the same as though it came out under the rule. Is my understanding correct?

Mr. PACE. As I understand, if the House considers the bill in the House as in the Committee of the Whole, the bill would be read under the 5-minute rule.

Mr. MURRAY of Wisconsin. I will say, if the gentleman will yield further, that possibly the gentleman from Georgia does not know it, but the chairman of the Committee on Agriculture asked the gentleman from Illinois [Mr. SABATH], chairman of the Committee on Rules, for a rule.

Mr. PACE. Does the gentleman mean the chairman or the acting chairman?

Mr. MURRAY of Wisconsin. I mean the chairman of the Committee on Agriculture, the gentleman from South Carolina [Mr. FULMER].

Mr. PACE. The gentleman has made no such request of the committee.

Mr. MURRAY of Wisconsin. No; but he did ask for it in a letter. I have a copy of the letter.

Mr. H. CARL ANDERSEN. In view of the fact that certain gentlemen vitally interested in this proposed measure cannot be here today, I am forced and constrained to object to the consideration of the bill at this time, Mr. Speaker.

Mr. PACE. Will the gentleman withhold his objection for a moment?

Mr. H. CARL ANDERSEN. Yes.

Mr. PACE. I would like to invite the gentleman's attention to the fact that what he is seeking may have the opposite effect. Unless we get this bill up and get it considered and passed by the House and Senate, the interest rates on these loans are going to jump to 5 percent, which I think is the last thing that the gentleman wants done. We can very well debate this question right now and decide it. The committee voted this bill out 20 to 2. The committee is interested in seeing that those high interest rates cannot become effective on the 1st day of July.

Mr. H. CARL ANDERSEN. May I say to the gentleman from Georgia that all I am interested in is seeing to it that these particular gentlemen whom I have in mind have a right and are enabled to be here when this bill, which is of much interest to themselves and of great interest to agriculture, is considered. This has been brought up with no prior notice to many of us who are not acquainted with the provisions of the bill.

Mr. PACE. Can the gentleman inform us when they will be present?

Mr. H. CARL ANDERSEN. I think they will be here in a very few days and that this can be considered in ample time, giving everybody interested the opportunity to be present.

I object, Mr. Speaker.

EXTENSION OF REMARKS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial which I think deals better with the basic issues in the Montgomery Ward case than any other I have seen.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mrs. LUCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter I wrote to a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, in one to include a poem, and in the other a speech I made recently.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein excerpts from a letter written by our distinguished former colleague, Hon. James V. McClintic, of Oklahoma.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FEDERAL GOVERNMENT AID FOR THE READJUSTMENT IN CIVILIAN LIFE OF RETURNING WORLD WAR NO. 2 VETERANS

Mr. RANKIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further con-

sideration of the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 1767, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair will state for the information of the Committee that by unanimous consent the time for general debate was extended 2 hours, to be equally divided between the gentleman from Mississippi and the gentlewoman from Massachusetts.

Mr. RANKIN. Mr. Speaker, may I ask how the time stands?

The CHAIRMAN. At the conclusion of the debate on Friday, the gentleman from Mississippi [Mr. RANKIN] has consumed 3 hours and 25 minutes, and the gentlewoman from Massachusetts [Mrs. ROGERS] had consumed 3 hours and 24 minutes. It is the Chair's understanding of the unanimous-consent request that the 2 additional hours are to be equally divided.

Mr. RANKIN. It is understood, Mr. Chairman, that the 2 hours will be absorbed as if they had been originally included in the time allotted for general debate, in order that the gentlewoman from Massachusetts may have the benefit of the difference in the time.

The CHAIRMAN. That arrangement can be worked out by the respective members of the Committee. The Chair will state that when debate was concluded on Friday there was only 5 minutes' difference in the time consumed as between the two sides.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. CASE].

(Mr. CASE asked and was given permission to revise and extend his remarks in the RECORD.)

SOUTH DAKOTA PLANS FOR RETURNING VETERANS

Mr. CASE. Mr. Chairman, I am glad that Congress is taking action at this time to deal with the care of returning veterans. It is hard to realize that over a million men have been discharged who have seen service in World War No. 2, and that the rate of discharge was recently reported at 38,000 per month. That rate may or may not continue until we come to demobilization or partial demobilization, but the figures are all that is needed to show that the problem deserves consideration at this time.

It has not been possible for me to hear all of the debate during the consideration of this bill, inasmuch as the Appropriations Subcommittee for the War Department has been conducting its hearings on the annual appropriation bill for the Military Establishment, and it has been my duty as a member of that committee to be present there. I have, however, read the debate as it has been reported daily in the CONGRESSIONAL RECORD and want to express my appreciation of the study which the Committee on World War Veterans' Legislation of the

House has given this bill. I was particularly impressed by the careful analysis given by the gentleman from Iowa [Mr. CUNNINGHAM].

I am glad that the committee has seen fit to clarify the portion of the bill which deals with educational guidance and choice of schools. Personally I think the veteran should be completely free to attend whatever school he chooses and for whose courses he can qualify.

My State of South Dakota is giving special consideration to the problems of returning veterans and the responsibilities of the State in connection therewith. The Governor, M. Q. Sharpe, himself a sailor in World War No. 1, recently instructed our State contact officer, the Honorable J. W. Kaye, a soldier in World War No. 1, to survey plans of other States and to recommend a program for South Dakota.

Under permission of the House, I place Mr. Kaye's recommendations in the RECORD at this point, believing that they will be of interest and help to all Members of the House and to others who read the debate on this legislation for its value in working out problems which they may face. The recommendations, as reported by the Mitchell (S. Dak.) Daily Republic, follow:

Creation of a South Dakota veterans' department, headed by a commission, the actual work to be performed by an executive director, designated as a commissioner, has been recommended by J. W. Kaye, State contact officer, to Gov. M. Q. Sharpe. The State contact officer proposes that the director be appointed for a term of 4 years at a suggested salary of \$4,200 a year.

Further, Mr. Kaye recommends that the statute creating the veterans' department should provide for a veterans' commission on a per diem and expense basis, composed of 5 persons, 2 from World War No. 1, 2 from World War No. 2, and 1 civilian, with staggered terms, not more than 3 from any one political party, to act in an advisory and administrative capacity with the commissioner. He suggests that the statute creating the department should be broad enough to give the department authority and direction to handle the affairs of all veterans of all wars, their widows, orphans, and dependents.

Other proposals by Mr. Kaye made in connection with the creating of a veterans' department include:

The office of the department should be at the State capital at Pierre, with a branch office in Sioux Falls in the Veterans' Administration.

"The annual appropriation for the administration of the department to be adequate to provide at least five field men to cover the State.

"County commissioners should be authorized to employ service officers on full- or part-time basis, if the need requires.

"The appropriation for the effective administration of the department should be \$30,000 annually.

"The veterans' commission to be designated also as the 'veterans' aid and rehabilitation commission,' of which the veterans' commissioner should be executive secretary. This commission should be given an annual appropriation of \$50,000 to be kept by the State treasurer in a separate fund, and spent only on the order of the commission. Out of this fund advancements to be made to honorably discharged veterans, who are physically or mentally handicapped or disabled, during the period when he is waiting for relief from some other source; advancements to be made to veterans who have

filed claims and who, in the opinion of the veterans' commissioner, are eligible for such pensions as have been claimed, to be used during the waiting period; the advancements should not exceed \$50 monthly, and should be a grant, not a loan.

"The funds should also be used to pay tuition, purchase textbooks, and equipment for veterans who later may be picked up by the Government on its rehabilitation vocational program. It should also be used to pay for a medical examination for a veteran who is not satisfied with the result of his examination by the Veterans' Administration. It should also be used to buy prosthetic appliances of all kinds, teeth, and glasses. It should be used to relieve the distress of widows, orphans, and other dependents of a service man or woman, who have died in service, or as a result of his service-connected disability.

"The administration of the fund shall lie in the hands of the veterans' commission, which shall authorize and direct its set-up, rules, and regulations pertaining to such administration.

"The law should provide that the veterans' commissioner be authorized to act as statutory guardian for any veteran declared mentally incompetent.

"There should be an act granting a veterans' emergency fund supported by an appropriation of \$2,500 per year, to be disbursed by the veterans' commissioner for emergency aid and relief of veterans.

"Benefits under these laws should be restricted to bona fide residents of South Dakota, who are honorably discharged veterans of any war; provided, however, that nonresidents of this State should be entitled to any benefits available to a South Dakota resident in his State.

"Our law should provide that one member of the attorney general's staff be assigned to the department on veterans' affairs.

"Our law should provide that all records of the department are strictly confidential.

"The sum of \$500,000 should be provided annually, to be placed in a post-war fund in order to be prepared to meet the demands that will be made. This fund should not be touched, and not be available for any purpose whatever until the present war is over."

Mr. Kaye explained that this is the amount provided in the North Dakota law. The Minnesota law provides \$2,500,000. When the war is officially declared to be over, the fund would then be available to the veterans' aid commission to be expended for such relief and rehabilitation as it shall direct.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Missouri.

Mr. COCHRAN. May I ask the gentleman from Mississippi if it is intended to read the bill under the 5-minute rule at the expiration of the 2 hours of general debate?

Mr. RANKIN. It depends on what time the 2 hours expire. There has been no demand for an extension of time. The chances are that we shall either begin reading the bill this afternoon or else adjourn and begin reading it tomorrow.

Mr. COCHRAN. It seems to me that when there is an agreement here that we are not going to vote on this bill until Thursday, it is just as important that the Members of this House be here when we are reading the bill under the 5-minute rule as it is that they be here on the final

vote. In fact, there will not be any votes against this bill.

Mr. RANKIN. All right; the gentleman from Missouri may make the point of order that a quorum is not present if he so desires.

Mr. COCHRAN. I certainly will make that point of order if Members are not present.

Mr. RANKIN. All right; crack down.

Mr. BUSBEY. Mr. Chairman, I hope in the few minutes allotted to me to clear up some of the great fog that has been thrown around a certain section of the G. I. bill of rights, but before I do I would like to give the history of this legislation.

The original G. I. bill of rights was sponsored by the American Legion. Then a new bill was introduced in the Senate known as S. 1767, which was jointly sponsored by the American Legion and the Veterans of Foreign Wars. Both organizations have labored unceasingly in an effort to get this legislation passed for the benefit of the veterans of this war.

The bill as originally introduced, or the bill that came over from the Senate, or the bill as reported from our committee, in no sense can be called a perfect bill, and I do not believe any individual or group of individuals could make a perfect bill out of it. All we can hope to accomplish is to approximate perfection as nearly as possible.

I especially give particular credit to the tremendous amount of work done on this piece of legislation for the veterans of this war by Warren H. Atherton, national commander of the American Legion; Mr. Francis M. Sullivan, national legislative director; Governor John Stelle, national chairman, and Harry W. Colmery, past national commander and member of the committee on rehabilitation and education; as well as James Ringley, the Illinois State chairman of that committee. I do by all means want to congratulate Mr. Omar B. Ketchum, national legislative representative, Veterans of Foreign Wars, for his efforts in behalf of the G. I. bill of rights, especially before our committee.

I also want to inform the House that the gentleman from Mississippi [Mr. RANKIN] did not write this bill. Mr. RANKIN, the chairman of the Committee on World War Veterans' Legislation, did not dictate to the committee at any time what should or should not go into this bill. He was, however, most helpful at all times in making available to the committee the benefit of his vast knowledge gained by his interest in the welfare of Veterans' Legislation Committee. Free and open discussion was had at all meetings of the committee and the bill was written by the committee as a whole. Partisan politics did not enter into the discussion at any time in any way, even to the minutest detail.

I propose to dwell upon that section of the bill on which there has been some controversy, namely, the education title, and hope to clear up at least some of the fog.

First of all, I want to refer to the telegram of May 10 sent to all Members of the House, signed by the executive com-

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SEC. 9. Any company or any agent or broker guilty of violating any of the provisions of this act shall be subject to the provisions of sections 3 and 36, respectively, and, as may be amended, of chapter II, Public, No. 824, Seventy-sixth Congress, known as the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1066 and 1079; D. C. Code, 1940 ed., title 35, secs. 1306 and 1340).

SEC. 10. All laws or parts of laws, insofar as they relate to business affected hereby and in conflict with any of the provisions of this act, are hereby repealed.

SEC. 11. Should any section or provision of this act be decided by the courts to be unconstitutional or invalid, the validity of the act as a whole, or of any part thereof, other than the part decided to be unconstitutional, shall not be affected.

Mr. RANDOLPH. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Mr. RANDOLPH moves to strike out all after the enacting clause and insert the following: "That in this act, unless the context otherwise requires—

" 'District' means the District of Columbia;
" 'Superintendent' means the Superintendent of Insurance of the District of Columbia;
" 'Company' means any insurer, whether stock, mutual, reciprocal, interinsurer, Lloyd's, or any other form or group of insurers;

" 'Agent' means and shall include any individual, copartnership, or corporation acting in the capacity of or licensed as a 'policy-writing agent,' 'soliciting agent,' or 'salaried company employee,' as defined under section 3, chapter I, of the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1064; D. C. Code, 1940 ed., title 35, sec. 1303); and

" 'Broker' means any person who for a consideration acts or aids in any manner in the solicitation or negotiation on behalf of the assured of contracts of insurance."

SEC. 2. The provisions of this act shall apply to insurance in the District of Columbia against loss of or damage to property or any valuable interest therein by or as a consequence of fire, lightning, tornado, windstorm, and explosion, or any one or more of such hazards, including all supplemental, additional, or extended forms of coverage written in connection with fire insurance, and including any policy which insures property, while it is at a permanent location, against the hazard of fire, lightning, tornado, windstorm, or explosion; but this act shall not apply to ocean marine, transportation, boiler and machinery, or motor-vehicle insurance, nor to insurance covering the property of interstate common carriers, nor to any form of insurance designated by the Superintendent as inland marine insurance.

SEC. 3. The Superintendent is empowered to investigate the necessity for an adjustment of the rates on any or all risks or classes of risks within the scope of this act, and to order an adjustment of such rates whenever he determines, after investigation of the experience showing premiums and losses for a period of not less than 5 years next preceding such investigation, that the rates for any one or more classes of risks are excessive, inadequate, or unreasonable. In determining the necessity for an adjustment of rates, the Superintendent shall give consideration to all factors reasonably attributable to the risks, to the conflagration or catastrophe hazard, both within and without the District, and to a reasonable profit. The Superintendent is also empowered, after investigation, to order removed, at such time and in such manner as he shall specify, any unfair discrimination existing between individual risks or classes of risks.

Any person, firm, or corporation aggrieved by any order, ruling, proceeding, or action of the Superintendent, or any person acting in his behalf and at his instance, may appeal

to the Commissioners of the District, or contest the validity of such order, ruling, proceeding, or action in any court of competent jurisdiction by appeal or through any other appropriate proceedings, as provided under sections 44 and 45, chapter II, Public, Numbered 824, Seventy-sixth Congress, known as the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1082; D. C. Code, 1940 ed., title 35, secs. 1348 and 1349).

SEC. 4. Within 120 days after the approval of this act and under the supervision of the Superintendent, the insurance companies authorized to effect insurance in the District against the risk of loss or damage by hazards within the scope of this act shall organize a rating bureau for the purpose of administering rates for such insurance, and all such companies now or hereafter authorized to transact such business in the District shall be members of such bureau. The government of the rating bureau shall be vested in its members and it shall not be subject to the direction or control of any other bureau, association, corporation, company, individual, or group of individuals. The rating bureau shall have power to establish reasonable agreements and bylaws for its governance, and shall be permitted to adopt reasonable rules and regulations necessary to carry out its functions, but such agreements, bylaws, rules, and regulations shall not be inconsistent with the provisions of this act, and the same and amendments thereto shall be approved by the Superintendent before becoming effective. The rating bureau, subject to the approval of the Superintendent, shall apportion the expenses of its operation among its members in proportion to the premium income on risks in the District.

SEC. 5. No company, agent, or broker shall issue or deliver, or offer to issue or deliver, or knowingly permit the issuance or delivery of, any policy of insurance in the District which does not conform to the requirements approved by the Superintendent: *Provided, however, That a company may deviate from such requirements if the company has filed with the rating bureau and with the Superintendent the deviation to be applied, and provided such deviation is approved by the Superintendent. If approved, the deviation shall remain in force for a period of 1 year from the date of approval by the Superintendent, unless such approval is withdrawn by the Superintendent for cause after notice to the insurer, or withdrawn by the insurer with the approval of the Superintendent.*

It is further provided that a rate in excess of that promulgated by the rating bureau may be charged, provided such higher rate is charged with the knowledge and written consent of the insured and the Superintendent.

SEC. 6. The rating bureau shall keep a record of all rates, schedules, and proceedings. Every agent shall keep a record of every policy contract issued by or through his agency.

SEC. 7. The superintendent, his deputy, or duly authorized examiner, is authorized and empowered to examine all records of the rating bureau, companies, and agents, and to require every company to furnish statistical reports of premiums and losses in such form and according to such classifications as the Superintendent shall prescribe and any other information which the Superintendent may deem necessary for the administration of this act. The Superintendent may require the rating bureau to consolidate the reports of classified experience.

SEC. 8. No rate, premium, schedule, rating method, rule, bylaw, agreement, or regulation shall become effective or be charged, applied, or enforced in the District by the rating bureau, or by any company, agent, or broker governed by the provisions of this act, until it shall have been first filed with

and approved by the Superintendent: *Provided, That a rate or premium used or charged in accordance with a schedule, rating method, or rule previously approved by the Superintendent need not be specifically approved by the Superintendent. No company, agent, or broker shall issue any form of policy, clause, warranty, rider, or endorsement until such form shall have been filed with and approved by the Superintendent.*

SEC. 9. Any company or any agent or broker guilty of violating any of the provisions of this act shall be subject to the provisions of sections 3 and 36, respectively, and as may be amended, of chapter II, Public, No. 824, Seventy-sixth Congress, known as the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1066 and 1079; D. C. Code, 1940 ed., title 35, secs. 1306 and 1340).

SEC. 10. All laws or parts of laws, insofar as they relate to business affected hereby and in conflict with any of the provisions of this act, are hereby repealed.

SEC. 11. Should any section or provision of this act be decided by the courts to be unconstitutional or invalid, the validity of the act as a whole, or of any part thereof, other than the part decided to be unconstitutional, shall not be affected.

Mr. RANDOLPH. Mr. Speaker, I may say that the amendment constitutes the House bill as amended.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 3974) were laid on the table.

EXTENDING REDUCED RATES OF INTEREST ON FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

Mr. SABATH. Mr. Speaker, by direction of the Committee on Rules I file a privileged report on the bill (H. R. 4102) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans (Rept. No. 1495).

Mr. Speaker, I may say that the gentleman from Kentucky was to have filed this rule, but unfortunately he is absent on account of important business. I want the House to know that he is extremely interested in this legislation. I feel further that it may be taken up tomorrow. That is the reason I am filing it today.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4102) to extend for 2 additional years the reduced rates of interest on Federal land bank and land-bank commissioner loans. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman of the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Referred to the House Calendar and ordered printed.

CONSOLIDATION AND REVISION OF LAWS
RELATING TO THE PUBLIC HEALTH
SERVICE

Mr. SABATH. Mr. Speaker, I call up House Resolution 555, for immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4624) to consolidate and revise the laws relating to the Public Health Service, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments there-to to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from Ohio [Mr. BROWN]. I make this statement now so he will understand I am not going to try to deprive him of the usual time.

Mr. Speaker, this rule makes in order H. R. 4624, a very important bill coming from the Committee on Interstate and Foreign Commerce under the leadership of the gentleman from North Carolina [Mr. BULWINKLE]. The gentleman from North Carolina and members of his subcommittee have given months and months of study to this restatement of the laws relating to the Public Health Service. The full committee has unanimously reported this bill.

The bill would bring together in a compact and orderly arrangement substantially all existing law on the subject except obsolete laws and resolve certain ambiguities in existing law and make a number of revisions which operating experience has shown to be necessary or desirable in connection with the Public Health Service. Little or nothing has been done on this line since 1878.

I want to congratulate the gentleman from North Carolina and his subcommittee upon the splendid work they have done. Nearly everybody I have contacted about the bill states that it is in the right direction, that he endorses the bill and urges early and favorable consideration, and this I hope it will receive.

The committee has filed a comprehensive report. I want to compliment the gentleman from North Carolina upon complying so completely with the Ramseyer rule, for the report gives full and complete information as to the various changes and modifications that are embodied in this bill. There are a few changes in present law. Some of the acts were passed over a hundred years ago and need modification and clarification. The committee has done this and has liberalized many of the provisions.

The bill contains one provision which I feel it important to call to your attention and that is the authorization of \$20,000,000 as against the former \$11,000,000 as grants to the States for general public health work. These grants to various States will be made in accordance with the demonstrated needs and the justifications made. In view of the splendid work that has been rendered the country by the Federal Government in connection with public health, and especially in view of the great interest of this administration, particularly the President, in safeguarding the health of our people, which is near and dear to the President's heart, I believe that authorization also should be approved and the bill should be passed.

I do not wish to detain the House because the chairman of the subcommittee and the gentlemen who drafted the bill are here and ready to make further and fuller explanation of the provisions of this rather long—it contains 94 pages—bill. In view of that I shall yield to the gentleman from North Carolina [Mr. BULWINKLE] such of the time remaining to me as he desires after first yielding 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, I reserve the remainder of my time.

Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier in the day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, as the able chairman of the Committee on Rules has explained, House Resolution 555 makes in order the bill H. R. 4624, to consolidate and revise the laws relating to the Public Health Service, and for other purposes.

It also waives certain provisions of the Ramseyer rule made necessary because of the fact H. R. 4624 repeals a number of obsolete sections of the statutes and because it would be confusing and costly to attempt to print in the original text of this bill all of the various sections that have been repealed.

For some time there has been evidence of a great need for the consolidation of the public-health laws into one act so that there may be one central authority for the functioning of the Public Health Service. This bill has been carefully considered by the Interstate and Foreign Commerce Committee of the House and by a subcommittee thereof and has the unanimous support and endorsement of every agency of the Government interested in public-health matters. It has also the support and recommendation of all the various State agencies of the United States interested in public-health affairs.

We had before us the representatives of the various medical and other public-health associations, as well as representatives of various Government agencies, and I am firmly convinced that both the subcommittee and the full Committee on Interstate and Foreign Commerce of the House have done an excellent piece of work in preparing this legislation for the consideration of the House.

Mr. JENKINS. Will the gentleman yield for a question?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. JENKINS. The gentleman knows very well that there is a natural fear among the medical profession of the Nation in reference to the Government's encroachment upon the province of the medical men. Has there been any opposition interposed anywhere by medical men to this bill?

Mr. BROWN of Ohio. No; with the exception that the committee membership just a day or so ago received a communication from a representative of the dental association. However, that matter has been or will easily be cleared up because of the fact that while a change has been made in one section of the law the bill also makes a change in another section and that leaves dentists in exactly the same position they were prior to the passage of this act, or perhaps even in a better position.

Mr. JENKINS. I have had some little experience with the Public Health Service, especially in connection with floods and certain calamities. I have found that it has been a great organization, it has done a great work, but also everyone owes an allegiance to the medical profession of this country, and we should not impose upon them any unnecessary restrictions that will invade their profession or rights.

Mr. BROWN of Ohio. Let me say to the gentleman from Ohio that in considering this legislation both the officials of the Public Health Service and the membership of the subcommittee, and I happen to be a member of that subcommittee as well as a member of the Rules Committee, were very careful to make certain that we in no way invaded the field of private medical practice. We did, in this measure, content ourselves only with a service as far as public health is concerned that can be called a real public service. In other words, we have not extended the activities or the range of authority of the Public Health Service further than now pertains except in one or two instances where there have been new developments. For instance, we have given them authority over some new alkaloids and some new drugs that have been discovered that are habit-forming, and which were not mentioned in the old law. We have given them some additional authority, for instance, in employing consultants who are not citizens of this country. Those consultants are being employed and used in foreign ports and in foreign stations where, because of the war, the Public Health Service must today function; and we have given them, by that particular section, the right and authority to go anywhere in the world and get as aids, or assistants and consultants, anyone who may have special knowledge of some tropical disease, let us say, that we in America have had no experience with whatsoever; yet, in order to save American lives it is necessary that we get the benefit of the knowledge that these men in foreign countries may have.

Mr. DONDERO. Will the gentleman yield?

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24.

of observation, and I have noticed that at 12 o'clock, where they are under control, they will shut their doors and cease dealing in what are considered to be intoxicating liquors, but you can move from that place and go to others where there is no control, and no license, bringing your alcohol with you, and stay until the wee hours of the morning with little or no regulation.

Mr. COFFEE. I thank the able gentleman for his helpful contribution.

Mr. STEFAN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, my distinguished colleague from the State of Washington said he would be somewhat derelict in his duty if he did not call the attention of the House to certain features of the District of Columbia appropriation bill. I think the Members of the House, other than those on this committee, would be somewhat derelict in their duty today if they did not call attention to the fact that the members of the subcommittee on the District of Columbia Appropriations Committee have done a great service, not only to the District but to other Members of Congress, in working long and laboriously on this bill. When a man first comes to Congress, the committee he does not want is the District Committee, or the District Appropriations Subcommittee. It takes time away from normal work and his constituents. It takes time that he would devote to his own district matters, and sometimes it is almost love's labor lost.

I think the Members of this House ought to give a rising vote of thanks to those who have spent their time, this extra time, as it were, in taking care of the appropriations for the District.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I fully agree with the remarks made by my distinguished friend. I might say that the leaders on both sides of the aisle have recognized the difficulties under which the District of Columbia legislative committee and the Subcommittee on Appropriations for the District have labored. On all occasions the leaders on both sides, Democratic as well as Republican, have cooperated in bringing up District legislation as quickly as possible, in the case of the legislative committee even allowing it to bring up legislation by unanimous consent, without waiting for the regular District day.

Mr. MAGNUSON. I am sure we all appreciate what these gentlemen have done, and I think the Members of the House owe them a rising vote of thanks.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk proceeded to read the bill.

Mr. CRAWFORD (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that amendments be in order to any paragraph of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COFFEE. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRIEST, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, had directed him to report the same back to the House with the recommendation that the bill do pass.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ERADICATION OF CERTAIN ANIMAL AND PLANT PESTS AND DISEASES

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the bill (H. R. 4278) to provide for the control and eradication of certain animal and plant pests and diseases, to facilitate cooperation with the States in fire control, to provide for the more efficient protection and management of the national forests, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the operation of the Farm Credit Administration and the Rural Electrification Administration, to aid in the orderly marketing of agricultural commodities, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an oration by Bob Ripley, of Kalispell, Mont.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and in-

clude therein an editorial, and further to extend my remarks and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to include in the remarks I made this afternoon some excerpts from the Financial Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks twice in the RECORD and include therein editorials.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two articles, one by Mr. Ernest Lindley and the other by Marquis Childs, appearing in today's Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

Mr. BATES of Kentucky. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 558 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4102) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BATES of Kentucky. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, House Resolution 558 makes in order the consideration of the bill (H. R. 4102) to extend for 2 additional years the reduced

rates of interest on Federal land bank and Land Bank Commissioner loans. This bill was brought to the Committee on Rules by the House Committee on Agriculture, and the Committee on Rules has granted a rule which would make in order 1 hour of general debate on this measure. This is a matter of great importance to the agricultural interests of the United States, and I am, of course, hopeful that the rule will be adopted.

Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks in the RECORD.)

THE FARM INTEREST-RATE SITUATION

Mr. MURRAY of Wisconsin. Mr. Speaker, the interest rate on Federal land bank loans has been $3\frac{1}{2}$ percent since July 1, 1935, and on Land Bank Commissioner loans since July 1, 1940. You will note that the $3\frac{1}{2}$ -percent rate on Land Bank Commissioner loans was put into operation the eighth year of the present administration. On two different occasions, in 1936 and 1938, when these interest rates were reduced, it was accomplished by passing the legislation over a Presidential veto. This $3\frac{1}{2}$ percent rate was last extended in 1942 for 2 additional years.

The present administration now desires to allow the interest rate on Federal land bank loans to become 4 percent and on Land Bank Commissioner loans 5 percent on July 1, 1944. This statement is supported by a press release of the United States Department of Agriculture, by a letter I received from Dr. A. G. Black, then Governor of the Farm Credit Administration, and by a letter I received from Mr. Grover B. Hill, Acting Secretary of Agriculture. In Dr. Black's letter dated March 11, note the following paragraph:

We believe that 4 percent per annum is a fair and reasonable rate on long-term mortgage loans of the type made by the Federal land banks through National farm loan associations and with their endorsement. Similarly we believe that 5-percent interest rate is reasonable for the type of first- and second-mortgage loans made by the Land Bank Commissioner, which carries no endorsement liability, and which, in general, is a more hazardous credit risk than the land bank loan.

In the letter from Mr. Grover B. Hill dated April 27, in answer to two letters I had written Secretary Wickard, one on March 31 and one on April 18, note the following paragraphs:

In his letter of March 11, Governor Black stated the position of both the Department of Agriculture and the Farm Credit Administration with respect to the action taken by the land banks on interest rates.

On February 1, 1944, I introduced H. R. 4102 for the purpose of continuing the $3\frac{1}{2}$ -percent rate for 2 more years. This bill was referred to the Agriculture Committee. The Agriculture Committee did not have any hearings but appointed a committee to study the problem and report back to the committee. Frankly, I expected the committee to bring back a recommendation to extend the rate at $3\frac{1}{2}$ percent for 2 years. I had previously

advised the acting chairman that I had no pride of authorship and that I would gladly agree to have the committee bring out the bill to extend the $3\frac{1}{2}$ -percent rate for 2 additional years.

The appointed committee, however, recommended a 4-percent rate and the full Agricultural Committee reported the bill with the committee amendments. I voted against the committee amendment as I felt and still feel that the $3\frac{1}{2}$ -percent provision should prevail.

I should say at this point that possibly some members of the committee thought it best to pass the bill as amended in order to get the bill out on the floor of the House. The position these members take at this time will indicate their true sentiments.

There are numerous Federal loan agencies—with varying rates of interest and operating under various timetables. The Federal land bank and the Land Bank Commissioner are two of these loaning agencies.

There are many sound reasons that justify the maintenance of the $3\frac{1}{2}$ -percent rate for 2 additional years. I shall discuss some of them.

First. At the prevailing value or cost of money a $3\frac{1}{2}$ -percent rate is a fair rate when land, an unexcelled security, is provided. Is there anyone here that can or wishes to say money costs any more today than in 1942 or 1940?

Second. In some sections of the country 25 to 50 percent of these loans have been delinquent. These borrowers have been paying 6 percent on their delinquencies. The Federal land bank law says 8 percent incidentally should be applied to delinquencies.

Third. The prices that farmers receive for their products has been frozen by the Office of Price Administration and the War Food Administration by law. It does not appear that the same administration is justified in raising the interest rates after freezing the income.

Fourth. How can a Congress that appropriates funds year after year, including the present year, for a farm loan set-up such as the Bankhead-Jones loan program whereby funds are provided for new farmers and where 100-percent loans are made for 40 years at 3-percent interest, be expected to raise the interest rates by one-half percent and $1\frac{1}{2}$ percent on over 800,000 bona fide farmers who have lived through and struggled through low prices and droughts for 10 long years, or from 1930 to 1940? Can you justify your vote if you vote an increase in interest for these 800,000 bona fide farmers?

Fifth. When \$10,000,000, or between \$250 and \$300 per farm, has been appropriated as expenses incurred in selecting new farms for the chosen few, it surely is not common fairness to exact this extra amount from the 800,000 bona fide farmers that obtained their own farms by their own efforts in the first place. There is an appropriation of three-quarter of a million dollars in the agriculture bill passed this year for expenses in looking up farms for would-be farmers.

Sixth. Ninety thousand Federal land-bank and Land Bank Commissioner loans were foreclosed on bona fide farmers be-

tween 1930 and 1940 because these farmers could not pay an average mortgage of \$3,000 to \$4,000 and with an interest rate of 5 to 6 percent a part of this time. Thousands upon thousands of additional farms were lost by their original owners by selling out before the foreclosure took place. During this same period 167,000 housing units were provided for our city cousins that cost an average of nearly \$5,000 each, and some projects cost over \$6,800 per unit. In this housing program a subsidy of \$28,000,000 per year was provided for 60 years, or a total subsidy of over a billion dollars. Do you wish to take the pound of flesh in the form of some \$11,000,000 from 800,000 bona fide farmers in the form of additional interest on their \$3,000 and \$4,000 loans in order to subsidize or finance the above-mentioned projects?

Seventh. During the present session of Congress, when the agriculture bill was considered, I showed where 33,000 large landowners had in 1942, during wartime, received \$58,000,000 for doing or not doing something. This program is in operation even at this stage of the war. If H. R. 4102 is not passed the United States Treasury will be enriched by some \$11,000,000. This \$11,000,000 would come from the pockets of 800,000 working farmers carrying an average \$3,000 to \$4,000 loan. I wish to ask you if you wish to extract this \$11,000,000 from 800,000 farmers to give as a part of the contribution to 33,000 operators, many of whom are not real bona fide farmers? Do you wish to vision the extraction of this \$11,000,000 and then see it passed out in \$10,000, \$50,000, and, yes, \$100,000 checks to people who should be able to carry on their own operations? Did you know there is a movement on now to raise the limit on Federal land-bank loans from \$50,000 to \$100,000? What does that really signify?

Eighth. Since money is provided for loans at 2 percent for Rural Electrification Administration loans to farmers, how can you explain why the same farmers should pay 4 and 5 percent on their farm loans? Or why their interest rate should be raised at this time on their farm loans from $3\frac{1}{2}$ to 4 and 5 percent? Can you?

Ninth. If these interest rates are allowed to be increased it would not only increase the interest rates on the 800,000 Federal land bank and Land Bank Commissioner Federal loans, which total some \$1,700,000,000 on January 1, 1944, but will automatically increase the interest rates of private farm loans and will give an upward swing to all farm-loan rates now held or to be taken by any farm loan agency. The total farm value on January 1, 1944, was about \$35,000,000,000, and now estimated as over \$40,000,000,000. The recorded mortgaged debt runs between \$6,000,000,000 and \$10,000,000,000, so you can readily see what an advance in interest rates really means.

Tenth. As long as this or any other Congress appropriates money to furnish would-be farmers farm loans at 3 percent, loans that represent 100 percent of the investment in the farm and for 40 years' time, and in addition furnishes

money to equip and stock the farm for the would-be farmer, it does not make sense to raise the Federal land bank loans from 3½ to 4 percent, and the Land Bank Commissioner loans to 5 percent. If these favored loans of 3 percent are to be continued, the Federal land bank and the Land Bank Commissioner loans should be reduced to 3 percent instead of being increased to 4 to 5 percent. Is there any Member that wishes to question this conclusion? If so I gladly yield. I wish to call your attention to the fact that one State, Georgia, has over one-tenth of these 3-percent loans. I wish further to call your attention to the fact that over 11,500 of the 35,000 3-percent title I Bankhead-Jones loans are in four States, Alabama, Georgia, Arkansas, and Mississippi. If the present formula is followed such States will soon have all 3-percent loans and the real farm States will end up with 4- and 5-percent loans. If Texas is added to these four, over one-third of these 3-percent loans will be found in these five States. I called your attention a few weeks ago to the fact that in 1942, 3,300 big Texas operators received nearly \$5,000,000 in Government payments while the 174,000 small operators received less than \$3,000,000.

Eleventh. Millions upon millions are being spent in distributing money by the thousands of dollars to individuals and groups that have never asked for it, and is being given to individuals and groups that do not need it. One agency in its bucket-shop operations does not even know how much they gave to each individual. One of my colleagues showed me a New York Times a few days ago which stated they had bet \$2,600,000 on one horse race in New York and I thought what a shame it was they could not or did not want to even pay their grocery bills. Did you know that 5,442 cars of hay, representing 83,916 tons of hay with a \$13.25 per ton average subsidy was distributed in Virginia this year, not on a basis of need, at a total cost of \$1,111,000 for future generations to pay? Did you know that the Virginia 1943 corn crop averaged 25 bushels per acre in comparison to a 25.1 bushel per acre 10-year average; that the 1943 Virginia oats crop was the second highest in the 10-year period; that the 1943 Virginia tame hay crop was the third largest crop in the 10-year period and was 182,000 tons above the 10-year average; that their need for more feed was largely caused by the increase in numbers of livestock which is shown in the increase in dairy cows from 187,000 in 1939 to 204,000 in 1943; that the United States Department of Agriculture is still pounding the farmers of the West and Midwest on the backs in collecting the old feed loans of 1930 to 1940, where the loans were made on the basis of need?

Why did not Oklahoma get free hay with 40 percent less tame hay in 1943 than in 1942?

Do you wish to exact the pound of flesh from 800,000 bona fide farmers at a time that certain milk plants are allowed to pour milk down sewers after subsidies are paid to produce it in the first place?

Twelfth. We all are compelled to con-

sider the ever-increasing public debt. We vision a public debt of \$300,000,000,000 and on this floor we often hear of the \$8,000,000,000 to \$9,000,000,000 it will take to service this debt. Do you think that \$8,000,000,000 or \$9,000,000,000 will service this public debt if we as a Congress start the upward swing by increasing farm-interest rates? Do you wish to take this responsibility? If farm-interest rates advance you can be assured that other interest rates will advance. Do you wish to increase the interest by 42 percent for 318,000 farmers with Land Bank Commissioner loans at this time?

Thirteenth. If this interest rate is raised to 4 and 5 percent, when and by whom do you think it will again ever be reduced? I called your attention to the fact that President Roosevelt had already vetoed legislation that provided these lower interest rates on two separate occasions. He has not done so though in 1940 and 1942 and I see no reason to expect him to do so in 1944. At the present cost of money the 3½-percent rate is more in line than it was in many of the past years.

Fourteenth. Do not be misled by anyone, anytime, anywhere trying to argue that farm prices are good now and the farmer can pay a higher interest rate. The price of farm products is surely not the basis of their interest rate or there would not have been any valid reason to collect any interest during many of the years between 1930 and 1939. This is especially true with the farm prices that prevailed in 1932 and 1939.

Fifteenth. There are some 11 Federal loan agencies. The agencies come under 2 or 3 departments here in Washington but out in the field they fan out in such a manner that maximum results are not obtained nor is efficient administration possible under the present set up. The Cooley committee has worked a year on one phase of farm loans, but as yet has not had its labors enacted into law. We should keep the 3½ percent interest rate on Federal land bank and Land Bank Commissioner loans until a constructive approach is made to this farm problem. At present the picture is most confused and I feel we should not confuse it further by raising the interest rates at this time—this time of cheap money. According to the press, Secretary Wickard and Democratic Committeeman Quinn fail even now on whom should be Governor of the Farm Credit Administration.

Sixteenth. It seems to me we have had many administration spokesmen talking and writing about inflation. We have heard much about holding the line. Now I ask what inflation line does this administration want to hold? Does this administration want you to hold your line, but be relieved of the responsibility of holding the inflation line when they have complete control? When you increase interest rates from 3½ to 5 percent you increase the interest a farmer pays by 42 percent. Is this holding the line? How do the administration spokesmen answer this question?

Seventeenth. Since one Federal farm loan agency had one employee for each \$3,500 original loan made last year, and since the Federal Land Bank and the

Land Bank Commissioner loans are being reduced in number, it appears that a little more business judgment and a lot less politics in the United States Department of Agriculture could account for a saving of many times the \$11,000,000 that the administration is seeking to extract from the pockets of 800,000 farmers at this time. This move is not in the best interests of the war effort.

Eighteenth. There are deeper considerations involved in this effort to raise the interest rates one half to 1½ percent. We must ever have in mind the philosophy, the teachings and the writings of those of the inner circle. Those who seem bent on the European pattern of a few big cities and with peasants to furnish cheap food. We are heading in that direction. I always remember the book, *For What We Are About To Receive*, by Jay Franklin. Let me quote you a few paragraphs:

The farmer has arrogated to himself all virtue and all knowledge. He has voted against progress, and civilization, against the city, against science, against art. He has made and unmade Presidents in the image of Main Street. He has exhausted our soils, as he has exhausted our Treasury if given half a chance. He is the great obstacle to human progress, the great threat to political stability. Sooner or later we shall discover, as the Roman Church discovered, as England discovered, as Soviet Russia discovered, that the pagan, the landed proprietor, the Kulak, is simply so much mud on the paths of progress and must be swept aside if society is to advance.

These are harsh words, but they are justified. The American farmer as a political institution is a danger to our civilization.

Some day, some leader of some party will be compelled to rouse the people against the farmer and crush him as an obstacle to the national welfare, as he has been crushed in every nation and age which has experienced his predominance. The fact that it is good politics now to help the farmer is going to make it better politics in the future to injure him.

It is a shame that he cannot be changed by less drastic methods, but he has taken to politics, and the problem of farm relief will become not "How shall we relieve the farmer?" but "Who shall relieve us of the farmer?"

We know the boy friends and the playmates that subscribe to this philosophy. Let us not be deceived by those who claim to know so much, but who do not appreciate the fact that a country with a large percentage of farms owned and operated by the man living on them is the real constructive approach and the real backbone of any country.

Nineteenth. Please allow me to call your attention to the bill passed just 1 year ago. It was called overtime pay and also a cost-of-living bonus. The Federal employees in the lower income brackets needed and were entitled to this increase. However, the lower income groups received up to \$300 per year, and the higher income groups received over \$600; in fact, \$628.32, or more than the base pay of a soldier. In fact, some Government employees in the higher income brackets and receiving \$10,000 to \$15,000 per year also received this additional pay. The total cost to the Government is some seven hundred to eight hundred million dollars.

The question is this: Do you wish to give your approval to legislation that exacts an extra \$11,000,000 from 800,000 farmers who are working long hours without overtime, in order to provide funds to hand out in overtime checks to Federal employees receiving \$10,000 to \$15,000 a year?

Twentieth. The farmers, under severe handicaps, during this war have made a most excellent production record. Through their patriotic desire to produce, together with favorable weather and use of accumulated stock piles of feed, have achieved most splendid results. The guaranties of floor prices have not been maintained in accordance with the law. This has been especially apparent on hogs and on eggs. Since the farm people have taken this loss by being compelled to sell below the legal-promised prices, with protest but without threats, why should they as a class be subjected to this move to exact \$11,000,000 from their pockets at this time?

Twenty-first. Let us not be misled by anyone on this important question, but let us assure over 800,000 American farmers that we as their representatives are not going to meekly submit to the unfair program of raising these interest rates that the Farm Credit Administration is trying to put into effect. This might be a desirable time to stand up and be counted and really find out who believes in the American farmer and, incidentally, who does not.

Since passing the G. I. bill it will be appropriate to note that there is no reason to raise these interest rates that returning veterans will pay when they secure a farm. If these 3½ percent rates have been prevailing for several years, what justification is there for raising the rate for farm owners of the future—largely veterans? Do you think it is a good policy to raise these interest rates when the veteran is not here?

Once more I say let us leave well enough alone. Let us remember that most of the loans are in the States that are really furnishing the food that is needed for this war. If we were justified in continuing the 3½ percent rate in 1942, we assuredly are now.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. At the present time the law provides for 3½ percent interest on farm loans and also on Commissioner loans.

Mr. MURRAY of Wisconsin. The gentleman is correct.

Mr. ROBSION of Kentucky. This measure would increase the rate on the Commissioner loans to 5 percent?

Mr. MURRAY of Wisconsin. The present bill would not, but the administration position would.

Mr. ROBSION of Kentucky. The bill as presented here increases to 4 percent the land-bank loans, and continues at 4 percent the Land Bank Commissioner loans?

Mr. MURRAY of Wisconsin. That is right.

Mr. ROBSION of Kentucky. But what the administration wants is 4 percent for

the emergency farm mortgage loans and 5 percent for the Land Bank Commissioner loans?

Mr. MURRAY of Wisconsin. That is correct. Four percent for the Federal land bank loans and 5 percent for the Land Bank Commissioner loans, which are direct loans in themselves.

Mr. ROBSION of Kentucky. This bill does not carry any 5 percent, does it?

Mr. MURRAY of Wisconsin. No. Frankly, I expected the committee to bring in a recommendation of 3½ percent. It had to be done before July 1. I was much surprised that it did not agree to the 3½ percent, but it did make it 4 percent. I am sure that some members of the committee voted for the bill for the purpose of getting it out on the floor of the House. They can surely make their own positions known today, whether they believe in the committee bill or whether they believe in the bill as introduced by me, or whether they want to amend it and agree to the Administration plan of 4 and 5 percent.

I did not have any pride of authorship in this bill and offered to give it to the committee, as far as I was concerned, but surely wanted it to be based on leaving interest rates where they are. There are many reasons why I think we should do that. I am not going to quarrel with anyone who wants to take any different position. These things will all work out all right anyway, but I think there are a few reasons why we should not.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Most of the present loans were made some years ago upon low land valuations, so that the security today is ample for most of the loans that are outstanding.

Mr. MURRAY of Wisconsin. The F. L. B. loans have been made ever since 1916.

Mr. BROWN of Ohio. Yes; but these rates apply mostly to loans that have been made in the last 10 to 12 years.

Mr. MURRAY of Wisconsin. In the last 10 years, since 1930.

Mr. BROWN of Ohio. And they were made on low land valuations; is that not true? So that the Government is rather secure in these loans and there is not much danger of loss?

Mr. MURRAY of Wisconsin. That will come out later. But the loans were made, of course, or supposed to be made, on the basis of valuation, and there has been more or less a fluctuation in what is the normal agricultural value of land, even from 1930 to 1940.

Mr. BROWN of Ohio. But the valuations on which those were made originally were much lower than the value of the land today; is that not true?

Mr. MURRAY of Wisconsin. I dare say, as a general statement, that many of these loans were made when the land was selling higher even than it is selling today.

Mr. BROWN of Ohio. Today the money market is such that you can borrow money on good security at a very low rate of interest.

Mr. MURRAY of Wisconsin. Well, there is another point. No one could contend that money today costs more than it did 2 years ago or 4 years ago, when we renewed it. I might say the President has not vetoed it any time since I have been a Member of this House. I do not know that there is any reason why he should veto it at this time.

Mr. BROWN of Ohio. Money is more plentiful today and more available to get loans than it was 2 years ago or 4 years ago?

Mr. MURRAY of Wisconsin. If that is the case, surely there is no reason not to provide an interest rate in keeping with the market the way it is at the present time.

Mr. BROWN of Ohio. That was the thought behind my question.

Mr. MURRAY of Wisconsin. Yes. Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. Yes. Mr. HORAN. What is the reason given for the arbitrary raising of rates from 3½ to 4 percent.

Mr. MURRAY of Wisconsin. The reason given by Dr. Black, as I read it, was that farmers are in better shape now to pay an increased rate. Of course, the answer to that is that from 1930 to 1940 they should not have paid any at all, because they were losing their farms by the thousand, if that is going to be the basis of the interest rates.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. Yes. Mr. AUGUST H. ANDRESEN. Would not a further reason be that all of the contracts contain a higher rate than 3½ percent, which is just an emergency rate, which expires on June 30?

Mr. MURRAY of Wisconsin. It expires June 30 of every other year, ever since the rate was reduced.

Mr. AUGUST H. ANDRESEN. All of the contracts are written at a higher rate than 3½ percent.

Mr. MURRAY of Wisconsin. Some are written at 6½ percent.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 additional minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. RIZLEY. The gentleman from Wisconsin keeps talking about raising the rates or lowering the rates. I do not quite understand the situation. I happen to have had a Federal land bank loan and also a land bank commissioner loan. My contract provided for much higher rates than the gentleman is talking about. Now, what you mean to say is, for a number of years we have been subsidizing the farmer by paying part of his contract price of interest. That is what you are talking about when you talk about lowering or increasing the rates. The rate to the farmer was 5 percent, was it not, on Federal land bank loans, but by various acts of Congress from year to year we have changed the contract that the loaning agency made with the farmer and we go into the

Federal Treasury and get the money to pay the additional amount between what his contract calls for and the rates provided in the contract.

Mr. MURRAY of Wisconsin. I will answer the gentleman by saying, if I read the report that accompanied this bill, if I believed in that report, I would not be for my bill, nor would I be for the committee amendment. I would be for the administration's position. But the report does not give a true picture. My colleague the gentleman from Wisconsin [Mr. KEEFE] when we first came here called my attention to that expenditure of money and wanted to know why that was. If you take the time to investigate it or break it down, you will find that that is not a subsidy so far as interest is concerned. If they are borrowing money for 1 percent and loaning it at 4 percent for land bank commissioner loans, how do you think they come out with 3-percent Bankhead-Jones loans; how are they going to come out with R. E. A. 2-percent loans if they have to have a subsidy on interest on commissioner loans which are direct loans where money is bringing 3½ percent?

Mr. RIZLEY. The thing that is not quite clear to me and which I cannot quite understand is this, Why do we have contract rates of interest fixed on these loans that are being made and then Congress from time to time voting money out of the public Treasury to pay the difference, whether it is interest or not, unless it is in time of distress or time of depression when I can well understand that we might go into the public Treasury and help the farmer?

Mr. MURRAY of Wisconsin. I have not agreed with the gentleman. I have not agreed with the gentleman, admitting there have been subsidies for interest for Commissioner loans. Somebody will have to show me that before I believe it. It has never been shown there is any subsidy on interest.

Mr. RIZLEY. Let me ask the gentleman this question: Does the farmer pay the amount of interest himself that is provided in the Commissioner loans?

Mr. MURRAY of Wisconsin. He pays whatever the law says, and the law says "3½ percent interest" and the face of the contract may say 4 percent, 5 percent or 6 percent or 6½ percent interest.

Mr. RIZLEY. Yes.

Mr. MURRAY of Wisconsin. And Congress changed the law, making it 3½ percent. There is no subsidy involved in the Commissioner loans so far as interest is concerned. If there is, all they are trying to do there is cover up their maladministration. Now, what do they bring out here? Every year it is bandied around about how you are subsidizing the farmer on his interest. All you are subsidizing is the lack of business ability on the part of the people running it. That is what you are subsidizing.

Mr. RIZLEY. Can the gentleman answer this question? Why do we continue, then, making loans and contracting with the farmer to pay one amount and then pass some law, as we are trying to do now, fixing a different amount? Why do we not say right in the contract what he is going to pay when he gets the loan?

Mr. MURRAY of Wisconsin. I would be willing to make it 3½ percent when they make it, so far as I am concerned, but I did not happen to have the responsibility of outlining the program for this administration. You were here 2 years ago and probably you were here 4 years ago. And the question then surely should have been brought up. It should not be brought up during this war. Why did not you oppose this in 1942 and 1940?

Mr. RIZLEY. I can understand how, during a time of crop failure and during a time of depression, Congress ought to take money out of the Federal Treasury to pay somebody's interest. But it looks to me as if we are getting to the point where we ought to fix an amount and stand on that amount rather than having an agency that is contracting for a certain thing come in here year after year and ask for a subsidy, or anything else. I am tired of paying subsidies to anybody.

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan.

Mr. CRAWFORD. Mr. Speaker, I am in favor of the adoption of the rule and I shall vote to continue an interest rate not to exceed 3½ percent on these farm mortgages. Looking over the analysis of the public debt I find one set of bonds listed at 4¼ percent, which was issued in 1922; another one at 4 percent, issued in 1924. Since that date we have been funding the operations of this Government at a rate of interest running from about twenty-five one-hundredths of 1 percent to 2¼ percent, with a few bonds at 2½ percent, and savings bonds at 2.9 percent. The long-term bonds which we now issue for the purpose of financing this war and financing countries all over the world run from 2½ percent down. I do not propose to be a party to charging the farmers of this country a rate of interest of 4 percent with the money markets in their present state, and when the Government with reference to financing maintains a low-interest rate such as we are now enjoying, we might say, if you call paying interest at any rate, enjoyment. Therefore, I am absolutely against freezing this interest rate at 4 percent on regular mortgages and 5 percent on Land Bank Commissioner loans.

Since coming here in 1935 I think I have voted on this proposition three different times. As I recall, I voted twice to override a Presidential veto so that these farmers can enjoy a rate not to exceed 3½ percent on these farm association loans. I do that because I contend that the farmers of this country are entitled to as low rate of interest on money they borrow as is organized industry. If this Congress does not have the ability to manage our fiscal affairs so that the farmers, in cases of this kind, can receive as low interest rate, then it is time for the farmers to do something about that with respect to Congress. As the gentleman from Wisconsin [Mr. MURRAY] said, these bills come up, and they show maladministration. I do not mean so much on the part of the Bureau, but on the part of the Congress in not having put

its house in order so that these farmers can enjoy not to exceed 3½ percent interest rates, when interest rates are manipulated and managed at presently low rates.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. RIZLEY. I think I can agree with the gentleman that the farmer is entitled to as cheap a rate of interest as industry or business or anything else, but what I cannot understand is this: If we are going to write a bill, why do we not write a permanent bill to that effect, so that when the farmer gets ready to borrow money from the Federal land bank or the Land Bank Commissioner, he has a contract providing that? Why come in here every year and say, "Notwithstanding the fact that you have a contract we are going to fix the rate of interest at 3½ percent?" Why do we do it that way?

Mr. CRAWFORD. The question comes in here every 2 or 3 years because we did not originally do the necessary. In other words, why do we not extend this for a period of 2 years at a time? We know we have got to maintain low interest rates on Government bonds for the next several years. There is no escape for that unless you want to repudiate the debt and I certainly do not advocate that. You talk in terms of two hundred and fifty or three hundred billion dollars as the national debt. You have got to carry a low interest rate. You have got to refund these maturing issues on a low rate of interest. Why should we go along here and slap the food producers of this country in the face and tell them we are going to raise interest rates at this time up to 4 percent? I do not propose to do it and I think I can defend myself anywhere in the United States on this issue, among businessmen, laboring groups, farmers, or anybody else, and I am prepared to attempt it, at least.

Mr. PACE. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. PACE. You understand there is no attempt to raise the interest rates to 5 percent.

Mr. CRAWFORD. The Land Bank Commissioner loans? They are 3½ percent under the present arrangement.

Mr. PACE. No. It is reducing them from 5 percent to 4 percent.

Mr. CRAWFORD. What is the highest you propose to put on them under this proposed amendment?

Mr. PACE. Four percent.

Mr. CRAWFORD. What is it on the regular loan?

Mr. PACE. Everything will be 4 percent.

Mr. CRAWFORD. Why do we make the Land Bank Commissioner loans the same rate of interest as the other? I now refer to the second-mortgage loans.

Mr. PACE. The gentleman is blaming Congress for not having done what he has called "the necessary." Can the gentleman explain to me how the Federal Land Bank bonds can be refunded until they are callable?

Mr. CRAWFORD. If we were so loose originally in putting out bonds that never mature, we certainly do it differently today than what we did in those

days. When were those bonds issued?

Mr. PACE. The gentleman does not blame that on the present Congress?

Mr. CRAWFORD. No; I am talking about Congress as an institution. We are supposed to furnish the necessary leadership to protect the various types of industry in this country. Under whose administration and when were those bonds issued, and when do they mature? Let me say this: We are taxing people all the time to pay interest on financing governments all over this world. What do you call that but a subsidy, if you want to get into the field of subsidies? Why can we not do as much for the people of the United States as we do for people all over the balance of the earth? I am for the United States first, last, and all the time, just as our friend in England is for the English Empire, and Russia for the Russian Empire, and China for the Chinese Empire. As we give these things away, let us give at least some of them to the people at home. That is fundamental with me, and that I do not intend to deviate from. If we cannot make it work out right, let them send somebody down here that will make it work out right.

The SPEAKER. The time of the gentleman from Michigan has expired.

[Mr. LEMKE addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. FISH].

The SPEAKER. The gentleman from Ohio has 3 minutes remaining.

Mr. BATES of Kentucky. Mr. Speaker, I yield 2 minutes to the gentleman from New York.

The SPEAKER. The gentleman from New York is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I take this time today to speak not on the rule but to try to correct a misapprehension that was conveyed in the press of yesterday in regard to the action of the Committee on Rules in reporting out the Anderson bill to investigate campaign expenditures. Most of the Members of Congress reading the newspapers were under the impression that the Committee on Rules has quashed any possible investigation of the C. I. O. Political Action Committee. The resolution we reported out, it is true, was the Anderson resolution, but everything after the enacting clause was stricken out and in its place was inserted the Gathings resolution which has teeth in it and provides for a real investigation entirely and completely contrary to what appeared in the press of the country. Section 5 of the Gathings resolution which was substituted for the Anderson resolution includes the following language:

Violation of any of the following statutes of the United States: (a) Federal Corrupt Practices Act; (b) title 18, section 61 (t) inclusive United States Code 1940, relating to pernicious political activity, commonly re-

ferred to as the Hatch Act; (c) the provisions of section 9, Public Law 83, Seventy-eighth Congress, chapter 144, first session, referred to as the War Labor Disputes Act.

That is the Smith-Connally bill.

The provisions of the amended Anderson resolution provide for an investigation of the C. I. O. political action committee, of corporations, or anyone else who has violated the law, and it puts teeth in the former customary resolution regarding campaign expenditures because it provides that the committee or any duly authorized subcommittee thereof may authorize any one or more persons to conduct on behalf of the committee any part of the investigation herein provided for and for such purpose any person so authorized may hold such public hearings, issue subpoenas, and so on. That was not provided in the customary House resolution for investigating campaign expenditures. I believe had we passed the usual resolution it would have been a mere gesture, a scrap of paper, utterly useless and meaningless because all that would happen would be that Members of Congress would make a complaint and after election nothing would be done about it. In fact, the committee had no power to employ investigators. But this resolution has teeth in it. Knowing the Speaker of the House as I do, I am sure that he will appoint upon this committee courageous, fearless, and able Members of the House on both sides and that there will be a complete and thorough investigation of any person who violates the law, and that the C. I. O. political action committee, if it is violating the law will be treated the same as any other corporation and be investigated without fear or favor, otherwise the action of the Committee on Rules, which was taken unanimously, would be meaningless. If the amended Anderson resolution is adopted by the House and proper action is not taken to investigate violations of the Federal Corrupt Practices Act and the War Labor Disputes Act, it will be in defiance of the will of the House.

No individual, no corporation, and no political action committee is above the law of the United States. I thought in justice to Members on both sides of the aisle these facts should be presented to the House because the newspapers published an utterly erroneous account of the proceedings in the Committee on Rules except that we did report out unanimously the Anderson resolution, but the Anderson resolution was amended by striking out all after the enacting clause and in lieu thereof the Gathings resolution was inserted, which has teeth in it. If adopted by the House and carried out in accordance with its provisions there will be a complete and thorough investigation of all violations of existing statutes governing campaign expenditures.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. HOPE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. BATES of Kentucky. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 66]

Allen, Ill.	Folger	Miller, Pa.
Andrews, Ala.	Ford	Monroney
Baldwin, N. Y.	Fulbright	Morrison, N. C.
Barden	Fuller	Myers
Bell	Furlong	Newsome
Bender	Gallagher	Norton
Bland	Gavin	O'Brien, Mich.
Bonner	Gilchrist	O'Neal
Boykin	Gore	Patton
Bradley, Mich.	Granger	Pfeiffer
Brehm	Grant, Ind.	Philbin
Brumbaugh	Green	Plumley
Buckley	Griffiths	Ramspeck
Bulwinkle	Gross	Randolph
Burdick	Hart	Reece, Tenn.
Burgin	Hays	Rees, Kans.
Byrne	Hébert	Robinson, Utah
Cannon, Fla.	Heffernan	Rogers, Calif.
Capozzoli	Hendricks	Scanlon
Carson, Ohio	Holmes, Mass.	Shafer
Carter	Jeffrey	Sheridan
Case	Jenkins	Smith, W. Va.
Celler	Johnson	Smith, Wis.
Clark	Lyndon B.	Starnes, Ala.
Cole, N. Y.	Kee	Stearns, N. H.
Costello	Kennedy	Sumner, Ill.
Curtis	Kerr	Sumners, Tex.
Davis	Kling	Taylor
Dawson	Kleberg	Treadway
Dewey	Knutson	Vincent, Ky.
Dickstein	Lea	Wasielewski
Dies	Luce	Weichel, Ohio
Dirksen	McCord	Whelchel, Ga.
Disney	McLean	Whitten
Douglas	Madden	Wickersham
Durham	Magnuson	Wigglesworth
Eberharter	Manasco	Wolfenden, Pa.
Elston, Ohio	Martin, Iowa	Woodrum, Va.
Fernandez	Mason	Worley
Fitzpatrick	Merritt	
Fogarty	Morrow	

The SPEAKER. On this roll call 311 Members have answered to their names, a quorum.

Further proceedings, under the call, were dispensed with.

RESIGNATION

The SPEAKER laid before the House the following communication:

MAY 23, 1944.

The Honorable SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

SIR: I beg leave to inform you that I have this day transmitted to the Governor of California my resignation as a Representative in the Congress of the United States from the Sixteenth District of California.

Respectfully,

WILL ROGERS, JR.

COMMITTEE ON THE JUDICIARY

Mr. HOBBS. Mr. Speaker, I ask unanimous consent, on behalf of the Committee on the Judiciary, to file a supplemental report on the bill (S. 919) to expedite the payment for land acquired during the war period.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4102) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4102, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. FLANNAGAN. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, under the law, the Federal land banks are authorized to make loans to farmers and to charge not in excess of 1 percent above the cost of the money. The Federal land banks finance themselves. It is supposed to be farmer-owned and farmer-controlled. It has not been for the last several years, because during the depression it was necessary for the Government to put in nearly \$300,000,000. The farmers of the Nation, together with the members of the House Committee on Agriculture, are eager for these Government funds to be repaid as quickly as possible and for the Federal land banks to be what they were intended to be, a farmer-owned and farmer-controlled agricultural credit system, free of Government control and free of Government subsidies.

Under the law, without the special consent of the Governor, no loan can be made in excess of 1 percent of the cost of money. That is to say, the Federal land bank goes into the market and sells its bonds, and then it makes the loans to the farmers at 1 percent above that figure.

If you turn to page 2 of the committee report, you will observe the interest rates on the loans which are now outstanding, ranging from 4 percent as a minimum to 6½ percent as a maximum. Those are the contract rates. That is what the farmer agreed to pay when he made the loan. Then the depression came and in 1933, due to the fact that agricultural conditions were so severe, the Congress provided that, beginning July 1, 1933, the interest rate on these loans should be reduced to 4½ percent. That continued from 1933 to 1935. In 1935, effective July 1, 1935, the interest rate was reduced by Congress from 4½ percent to 3½ percent. Then in order to keep the Federal land banks going it was necessary for the Congress to appropriate money to make up this difference. And up to now the Congress has appropriated to the Federal land banks as a subsidy, \$282,667,000. That amount it has been necessary to pay to the Federal land banks to compensate them for the difference between the contract rate, the cost of their money plus 1 percent, and what we fixed it at by reducing it first to 4½ percent and then down to 3½ percent. In addition to the

Federal land-bank loans there are what is known as the Land Bank Commissioner loans which were authorized during the emergency of 1933, which is a loan made over and above the Federal land-bank loan, the Federal land-bank loan being limited to 50 percent of the value of the land and the Commissioner loan being authorized up to 75 percent of the value of the land. Under the law, in 1933, at the very depth of the depression, Congress provided that these Land Bank Commissioner loans should draw interest at 5 percent. I was not here, but you probably fixed that rate because it is a high risk loan. It is a 75-percent-of-value loan. So you fixed the rate at 5 percent. Then in 1937 we decided that the 5 percent rate was a little high and provided that that rate should be reduced to 4 percent and from July 22, 1937, to July 1, 1940, the rate was 4 percent on the Commissioner loans. Then in 1940 Congress reduced the interest from 4 percent to 3½ percent and from July 1, 1940, to July 1, 1944, the rate has been 3½ percent.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question there?

Mr. PACE. Yes; I yield to the gentleman.

Mr. DONDERO. Was the 75-percent provision continued?

Mr. PACE. Oh, yes; that will continue until 1 year from next July 1. It expires June 30 of next year. That required the appropriation of funds by the Congress to make up that difference in interest and you have appropriated for that \$59,125,000. Therefore you have appropriated, as I stated, \$55,000,000 to make up the shortage in interest on Commissioner loans and \$282,000,000 to make up the deficiency in land-bank loans, and the Congress has therefore appropriated as a subsidy to pay interest on those loans through those years \$341,792,000. That is what this reduction in interest has cost the Government during these years. The gentleman from Wisconsin [Mr. MURRAY], who is one of the ablest members of my committee, and who is very much interested in the welfare of the farmers, introduced a bill to continue the 3½ percent interest rate for 2 more years. It was taken up by the committee. We deliberated on it and we reported out what you find as the committee amendment in lieu of the language offered by the gentleman from Wisconsin. Let me first explain what that language does. The Federal land bank is getting in better shape. I wish I had the time to tell you the things they have done and are doing to get on their feet. In fact, they are all on their feet with one exception where one of the Federal land banks, due to local conditions, has been in a rather critical condition, but it is coming out. They are getting on their feet. They have now come voluntarily, although they hold contracts with the farmers which draw interest of from 4 percent to 6½ percent, they have come in voluntarily without any Government subsidy and have written off all interest down to a flat 4 percent and they are now making 4-percent loans. So hereafter the Federal land bank interest rate is a flat 4 percent, re-

quiring no Government subsidy whatsoever.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PACE. Yes.

Mr. MAY. Does that apply to both direct loans and Commissioner loans?

Mr. PACE. It applies to Federal land bank loans. Therefore the Federal land banks have voluntarily come in and reduced their rate to 4 percent until the loan is paid in full. They cannot change it next year. It is a permanent rate of 4 percent and requires no Federal subsidy. Now unless the Congress acts, however, on the Commissioner loans before July 1, they will automatically go up to 5 percent. Therefore this amendment that the committee has reported provides that the Commissioner loans shall be held down to 4 percent just like the Federal land bank loans. Therefore, under this bill you would have the Federal land bank loans at 4 percent and you would have the Commissioner loans at 4 percent and the Committee on Agriculture will, in a few days, report to you a bill fixing the farm-tenant-purchase loans at 4 percent. The flat, across-the-board rate will be 4 percent for all of the long-term farm-land loans. I think that is justified. I think the rate in the past of 3½ percent, and certainly no Member of this House fought more vigorously than I did in voting for it and in overriding the veto of the President to get the 3½ percent, I think the rate in the past of 3½ percent was justified because the farmer was then selling his commodities in many cases for less than the cost of production. But one of the things that the committee wants to do and one of the things I believe the farmers of the Nation want to do and I believe that the Congress wants to do is to put this system on a sound, business basis where we can free ourselves of this Government subsidy. The farmers of this Nation do not want to live under a Government subsidy. What do you have today? You have been subsidizing these loans and therefore you have been controlling these loans from Washington. When we are able to pay back the Government money that is now in the land-bank system, then it will be 100 percent farmer owned and 100 percent farmer controlled. That, I think, is the ideal system. The committee feels that as long as there is a Government subsidy in this land-bank system in farm credits, then it faces the constant danger of being destroyed because it cannot stand on its own feet. Therefore the committee bill does simply one thing, it leaves the land-bank rate where the land banks themselves have come in voluntarily and fixed it at 4 percent. Therefore we do not need a subsidy to maintain this rate.

The committee feels that the Land Bank Commissioner loans should be brought down to the same level. As I stated to you, the Land Bank Commissioner loan authority expires this time next year. Our committee must necessarily consider whether or not they will continue to authorize the Land Bank Commissioner loans to be made. Frankly there is some doubt that the

committee will recommend it, because the emergency does not exist today that existed when this type of loan was authorized. There is under consideration the proposal to increase the land-bank loans from 50 percent to 65 percent of the normal value of the farm, and eliminate this duplicate organization of Land Bank Commissioner loans. But that entire subject matter will have to be considered by the committee and considered by the Congress before another year.

I feel that the farmers are entitled to the benefit of the cheapest money that is sound. I do not think under present conditions that they can ask for more. One of the problems of the Federal land bank today is to find somebody to borrow their money. One of the greatest problems which the Federal land bank has today is the surplus money they have on hand. If you will look at the report you will see that the farmers paid back about \$350,000,000 last year of their land bank and Commissioner loans. The Governor of Farm Credit states they are now paying back at the rate of 5 to 1. That is, they are paying back \$5 for every \$1 they borrow. So certainly if there is ever going to be a day when we should put the system on a sound basis, had we not better do it now when the farmer is able to pay a rate of interest that is reasonable? If we continue now this subsidy payment in order to get 3½ percent interest, then we may not be able when the war is over and times get bad again, to come back here and reduce the interest rate again. I hope it will not be necessary. But certainly with conditions as they are, the land banks having voluntarily come in and reduced the rates, the farm income having substantially increased in the last year or two, the farmer being in a position to pay this rate, I believe if you will consult the farmer he will say, "Put that system on a sound basis while we have a chance, and let us control it from this time on and take the Government out of it."

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PACE] has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DONDERO. Will the gentleman yield?

Mr. PACE. I yield.

Mr. DONDERO. I want to commend the gentleman for his very clear and understandable statement. I would like to ask him this question: What hope or promise is there in this picture of repaying the \$339,000,000 to the Federal Government and getting the Federal Government out of the business of loaning money to its citizens, in competition with private enterprise?

Mr. PACE. We had a conference last week with five presidents of the Federal land banks who were serving at a committee representing the 12. They said to us that with the exception of 1 bank they hoped to be able to pay this money back within 2 years, and certainly within 5 years; have every dollar of it paid back to the Treasury and be entirely free of debt. The other bank said they could go a long way in 5 years and they were confident that within 10 years they would be paid out in full.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. MAY. I would like to inquire about one other feature of the measure and that is this: Sometime last year, as I recall it, the President and the chairman of the Federal Land Bank Board, or somebody, jointly issued a letter to the borrowers from Federal land banks, encouraging them to liquidate and take out their loans while this easy money was going.

Mr. PACE. I do not think there is anything more important than for a farmer to pay his loan and get out of debt and be ready for any hard times which may be ahead of us.

Mr. MAY. Has the gentleman gone into the question of the extent to which they have reduced these loans?

Mr. PACE. Oh, yes. If the gentleman will turn to the report he will find that they paid nearly \$400,000,000 last year.

Mr. MAY. What is the amount of the loans outstanding to farmers?

Mr. PACE. On January 1 it was \$1,357,937,416, Federal bank loans, and \$406,190,206 of Commissioner loans, a total of about \$1,760,000,000. When we fix this interest rate we are affecting only 30 percent of the farmers of the Nation who have farm loans. The total farm debt on farm lands is about \$6,000,000,000. The statement has often been made that it is unfair that just farmers who borrowed from the Government would get this cheap rate of interest, while the man borrowing from an insurance company or other lenders was not getting it. So we are only dealing with about 30 percent of the farm loans.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. LUTHER A. JOHNSON. If the bill as reported by the committee becomes law, the rates will be 4 percent, and if not they will be 5 percent?

Mr. PACE. On Commissioner loans; yes.

Mr. LUTHER A. JOHNSON. I agree with what the gentleman said about having the lowest possible rate of interest for these farm loans we can have upon a sound basis.

Mr. PACE. That is right. That is the policy of the Houston Land Bank in the gentleman's State.

Mr. LUTHER A. JOHNSON. The Houston Land Bank is one of the best in the system?

Mr. PACE. Yes. It has a very fine record.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PACE. I yield.

Mr. WHITTINGTON. Are the Federal land banks repaying these amounts advanced by the Government as you go along?

Mr. PACE. They are. The statement was made by a Member a few minutes ago that the Government could borrow money so much more cheaply than this, and three-fourths of 1 percent was mentioned. Of course, we have studied that. You understand these are 20- and 30-year loans. Of course, 30-year money is

quite different from 90-day money or 30-day money or 6 months' or 9 months' money. We have consulted with the best authorities we know, and there is practically no hope, even under the present money market, of getting this money even on a 10-year basis, at cheaper than 2½ percent. So when you talk about getting money for practically nothing, that is usually 90-day money.

Mr. MICHENER. Will the gentleman yield?

Mr. PACE. I yield.

Mr. MICHENER. The gentleman has made a very good case. His statement has been exceptionally clear and enlightening. I hope every Member interested will read it.

Mr. PACE. I thank the gentleman.

Mr. MICHENER. I have received a great number of letters recently from small banks in agricultural communities protesting against the method used by these banks in soliciting loans.

Mr. PACE. I am sure the gentleman has reference to the production credit associations.

Mr. MICHENER. No; I have reference to Federal land banks. Does the gentleman know anything about that?

Mr. PACE. That is the first complaint I have ever received from any bank objecting to a 20- or 30-year loan. None of them that I have ever heard of has been interested in making 20-year loans.

Mr. MICHENER. No. The objections come from banking associations in small communities. The objection is that these agents for the Federal land bank go out and see the farmer and tell him, "Now, we are liable to have a depression later and you had better get a long loan, because if you taken a loan from your local bank he will not be in as good a position to renew the loan."

Mr. PACE. The private banks are not authorized to make this type of loan.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. FLANNAGAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Will the gentleman yield to me?

Mr. PACE. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. Is it not a fact that the president of the American Bankers Association appeared before our committee 2 or 3 weeks ago and made the statement that neither the city banks nor the country banks objected to the interest rate charged by the Federal land bank and the rate charged on Commissioner loans?

Mr. PACE. He certainly did. I fear the banks in writing to the gentleman from Michigan have used the words "farm credit." I am confident they had reference to the production credit associations, because they have been severely criticized for what the gentleman has suggested.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. PACE. I yield.

Mr. ZIMMERMAN. I will say to the distinguished gentleman from Michigan [Mr. MICHENER] that all of these small banks—that is, the banks you heard from—cannot make 20-year loans. The

Federal Land Bank is not in competition with those banks.

The only objection that has come to our Federal lending system has been from some of our rural banks complaining of the Production Credit Corporation and their actions not on mortgages, but on short loans. I may say further as was stated by the distinguished gentleman from Virginia, that the American bankers' representatives and the banks throughout the country came before our committee but made no complaint.

Mr. PACE. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. ROBSION].

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia.

Mr. ROBSION of Kentucky. Did I understand the gentleman correctly that the Congress has appropriated \$347,000,000?

Mr. PACE. Three hundred and forty-one million dollars.

Mr. ROBSION of Kentucky. Three hundred and forty-one million dollars as subsidies to make up these cuts that were made in interest rates?

Mr. PACE. Yes; and this committee bill will end that.

Mr. ROBSION of Kentucky. The gentleman has stated that if we pass this bill that will be the end of that; there will be no more subsidies.

Mr. PACE. That is right.

Mr. ROBSION of Kentucky. Is there any plan by which any part of this subsidy will be recovered?

Mr. PACE. Oh, none whatever; none whatever.

Mr. ROBSION of Kentucky. That is gone; but the gentleman's plan is not to make any more.

Mr. PACE. That is right.

Mr. THOMASON. In that connection, if the gentleman will yield, what is the rate of interest now charged by the Production Credit Corporation?

Mr. PACE. It varies across the Nation; it depends upon what association it is in. It ranges from a minimum of 4½ percent up to 8 or 9 percent.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. MURRAY of Wisconsin. Did I understand correctly that the gentleman stated there had been some three hundred-odd million dollars of subsidies to the Federal land bank and Commissioner loans as a result of the decreased interest rates?

Mr. PACE. The committee report gives exact figures. The Congress has appropriated \$282,000,000 for interest reductions on Federal land bank loans and \$59,000,000 for interest reductions on the Commissioner loans. Let me say that the Commissioner loans, of course, in a way, are bookkeeping transactions because it is all Government money.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized for 10 minutes.

Mr. HOPE. Mr. Chairman, this bill was originally introduced by the gentleman from Wisconsin [Mr. MURRAY]. The bill by its terms reduced for a period of 2 years the rate upon Federal land-bank loans and Land Bank Commissioner loans to 3½ percent. A few months ago the Federal land banks collectively announced that beginning July 1 the rates on Federal land-bank loans would be uniformly 4 percent. Some of them have run as high as 5½ and 6 percent, but by reason of the low interest rates prevailing generally and the ability of the land banks to refund some of their outstanding obligations at lower interest they are able at this time to reduce the interest rates permanently to 4 percent on all of the loans they hold, which I think everyone will agree is a fair and reasonable rate.

The rate upon Federal farm-mortgage loans, what we call the Commissioner loans, has been by statute 5 percent. The committee has amended the original Murray bill by reducing the rate on Commissioner loans to 4 percent for 1 year. The reason we made the rate 4 percent for 1 year only on Commissioner loans was that the authority of the Land Bank Commissioner to make loans will expire a year from July 1 and before that time we shall have to determine whether or not we are going to extend that authority or just what arrangement will be made. We can take care of the permanent interest rate at that time. By reason of the action heretofore taken by the Federal land banks no action by Congress is necessary to reduce their rates to 4 percent. I have in the past, as have practically all of the Members of the House, favored the 3½-percent interest rate. It was put in effect back in 1934 in the beginning but as we all know cash farm income at that time was about a third of what it was for the year 1943. Conditions did not improve very much for the next 6 or 7 years as far as farm income was concerned and we continued the rate.

It was a subsidy, admittedly a subsidy, because we had to pay money out of the Federal Treasury every year in order to maintain this rate. As the gentleman from Georgia told you, during that period of time we paid out of the Federal Treasury \$341,000,000 in subsidies, and I think it was justified. The question now before us is whether or not at a time like this we can further justify taking money out of the Federal Treasury for that purpose.

The condition of the Federal Farm Mortgage Corporation now with reference to finances is such that the committee felt that a 4-percent rate would not make it necessary to resort to a Federal subsidy; so if you pass the bill as recommended by the committee there will be no subsidy involved. Most of us from the farm sections of the country have taken a firm position throughout this Congress in opposition to subsidies. We have taken the position that

the farmer should get a fair price in the market place and that if he did there need not be a Government subsidy for agriculture. It seems to me it is rather inconsistent for anyone representing an agricultural section who has been opposing Government subsidies during this past year to come in now and support a Government subsidy on interest. In that I am not alone. My opposition, I think I can say, is the opposition of the farmers of this country. Every year preceding prior to the passage of this bill reducing interest rates I have been the recipient of many letters from farmers and farm organizations requesting a reduction to 3½ percent. Other Members of Congress have had the same. This year I have not received a single letter from any farmer asking for a continuation of the 3½-percent rate. I have had only one letter on the subject, and that was from the organization of Federal land-bank secretaries in my State, in which they suggested that the Commissioner loan rates should be 4 percent.

Within the last 2 days I have contacted Mr. Albert Goss, the master of the National Grange. I asked him if his organization had taken any position on this matter. The reason I asked him that was because the Grange has endorsed the 3½-percent rate regularly every time it has come up in the preceding sessions of Congress. Mr. Goss said his organization had not endorsed the 3½-percent rate, that they had taken no position on the matter at all at their national convention, but at the last meeting of the executive committee of the Grange the matter was considered. Mr. Goss did not have before him at the time a copy of the minutes but he dictated to my secretary over the telephone the following statement which he said I might use as indicating the action the executive committee had taken on that question. The statement reads as follows:

The executive committee considered the problem of the expiring interest reduction on land-bank loans. Information was presented to the effect that land banks are now in a position to reduce the interest rate on the higher rate loans to 4 percent. The committee reached the conclusion that if the bank reduced the rate to 4 percent no request for a lower rate of interest was justified at this time.

Mr. Chairman, I also called up the headquarters of the American Farm Bureau Federation in Washington and I asked for Mr. O'Neal, the president, but I was informed he was out of town. I talked with Mr. Ogg, the Washington representative, and he stated that while in the past their organization had taken a position in favor of the 3½-percent loan, the organization had not taken any action on the matter at this time. So we have no request, as far as I know, from any farm organization for the 3½-percent rate and I am sure there are few, if any, requests from individual farmers for a reduction of the rate.

One further thought and then I am going to conclude because I know we are all anxious to get through with this bill as rapidly as we can. After all, there is

not very much money involved in the difference between the two rates. The difference between $3\frac{1}{2}$ and 4 percent is only \$5 per thousand and the average Federal land-bank loan is about \$3,000 at the present time. That would mean then that the difference between the $3\frac{1}{2}$ percent and 4 percent on a loan of \$3,000 is \$15, which is about the price of 10 bushels of wheat. I have stood, and stand, for farm prices which are high enough to enable the farmer to pay a fair rate of interest. If the farmer has that he will not ask for a subsidy on his interest rate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, this one-half of 1 percent does not amount to anything as far as the farmer is concerned if he is getting a fair price. That is the position I think we ought to take, those of us who represent agricultural districts; that the farmer is entitled to fair prices, to parity prices. He is getting more than parity prices today. If he does get parity prices then he does not want an interest subsidy. What he wants, as the gentleman from Georgia has told you, is a land-bank system that is sound, one that will go down through the years, one that he can depend on, one that will be there when he needs a loan and when perhaps he cannot get one anywhere else.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. In view of the fact that farm income is now higher than it has ever been and that our farmers are in a better position to pay than they have been for a long time, does not the gentleman think this is the time for the Congress and the country to embark on a program by which we will in the future eliminate the subsidies that this Congress had to vote from year to year and get on a self-sustaining basis? Is this not the proper time to do that?

Mr. HOPE. If we cannot do it now, then we will never be able to do it.

Mr. ZIMMERMAN. And this is the time to do it.

Mr. HOPE. I agree with the gentleman.

Mr. KEEFE. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Am I correct in the belief that these land-bank loans are made for a period of 20 years?

Mr. HOPE. The land-bank loans are made for a period of 33 years. The Commissioner loans are made for a period of 20 years.

Mr. KEEFE. Are the loans payable by the mortgagor at any time?

Mr. HOPE. I am not sure about the Commissioner loans. The land-bank loans can be paid at any time after 5 years.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. My understanding is that both the Commissioner loans and the land-bank loans may be paid at any interest period and ordinarily they accept them between the period.

Mr. HOPE. That is, after 5 years?

Mr. WHITTINGTON. Yes, that is true.

Mr. HOPE. That is my understanding on land-bank loans.

Mr. KEEFE. If any borrower wanted to avail himself of cheap money at a bank or an insurance company or any other place where he might get the money at a cheaper rate, he could borrow it and pay off his land-bank or Commissioner loan at any interest-paying date, is that right?

Mr. HOPE. Yes; I may say that about \$400,000,000 of land-bank loans have been paid off since December 31, 1941. I do not think that those have been paid off by the proceeds of other loans. They have been paid off because the farmers have had the money to go in and pay off the loan. They have been able to do so, because they have had good crops and good prices.

Mr. KEEFE. Did the evidence before the gentleman's committee disclose any substantial number of these land-bank or Commissioner loans to have been refinanced by borrowing the money from private lending agencies?

Mr. HOPE. I cannot say; I have no information on that, but I do not think so because, in my opinion, the money could not be secured from private lending agencies at a lower rate than $3\frac{1}{2}$ percent which has been the prevailing Federal rate, so I doubt very much if there have been any in that category.

Mr. PACE. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman will recall that one witness stated last week that they were now disregarding the 5-year payment rule and were accepting payments at any time?

Mr. HOPE. I was not present at that meeting but I am glad to have the information.

Mr. WHITTINGTON. In practice, both the Commissioner loans and the Federal land-bank loans have been accepted regardless of the 5-year term.

Mr. HOPE. I think that is true.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If this legislation, as amended by the committee, is not passed, the Commissioner loans will continue at 5 percent and the Federal land bank loans at 4 percent?

Mr. HOPE. That is correct.

Mr. DONDERO. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. DONDERO. Was there any evidence before the gentleman's committee that loans made by private lending agencies had been displaced by Government loans?

Mr. HOPE. The committee did not go into that question and I cannot say. I

do not think any have been recently because, as a matter of fact, the Federal land banks have not been making many loans recently. The farmers have not been borrowing on their land.

Mr. DONDERO. Can the gentleman advise the House what hope there is or what promise there is of getting the Federal money out of these land banks so they will be privately-owned and the Government will not be in competition with its own citizens?

Mr. HOPE. The Federal land banks are in excellent shape today. The Federal money is out of some of the banks already and it is being paid off rapidly in others.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. Following up what the gentleman from Michigan [Mr. MICHENER] said a while ago, we know that production credit is the main competition of the country banks. Of course, there is some other competition. I am in favor of this bill and I am in favor of the Federal land banks, but, may I say that in connection with the agricultural appropriation bill we went over farm credit and when we got to production credit, which is the main competition of the country banks, they stated that it is authorized by law and we could not do anything about it. If the country does not need the Production Credit Corporation, is the gentleman's committee doing anything to repeal the law, and, if not, why not?

Mr. HOPE. The committee is not doing anything to repeal that law and I would not be in favor of repealing the law. The committee is giving consideration to the Government subsidy that is contained in the present production credit set-up and, in my opinion, the committee will take some action on that matter when we consider the whole question of farm credit.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, I am opposed to any increase in rates on Federal land-bank mortgages and Land Bank Commissioner's mortgages at this time. The argument has been made that the farmers are in better position now to pay a higher rate of interest than they were a few years ago when these rates were reduced. It might with equal propriety be said that the people of this country are able to pay 3 or 4, maybe 5 percent, on Government bonds now than they were able to pay 5, 6, 7, or 8 years ago; consequently, a bill should be introduced in Congress to increase the rate of interest on Government bonds.

Another statement made by the gentleman from Georgia in his very fine presentation was to the effect that the Federal land bank wanted to pay back the subsidies which it had received because of this reduction in interest, and that if we let them have the rate at 4 instead of $3\frac{1}{2}$ percent, they could

charge their indebtedness to the Government.

I think that it is the first time it has ever been suggested on the floor of the House that these subsidies which have gone out, not only to the farmers, but to scores and hundreds of other lines of industry, should be paid back eventually to the Government by compelling the man who produces to take either an increased price or a lower price, one way or the other.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HULL. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. I do not think the gentleman from Georgia made the statement that the subsidy would be paid back. It was never contemplated that the subsidy would be paid back. As a matter of fact, I do not think it will ever be paid back. It is the money that the Federal Government, in addition to the subsidy, put into the Federal Land Bank System in order to save it during the depression that will be paid back.

Mr. HULL. The gentleman may be correct.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HULL. In any event, it is proposed to say to the farmers of this country, "We are going to increase the rate on your loans in order to pay back something which the Government has expended." If we are going to adopt any such policy it would seem to me that the first thing Congress should do would be to pay attention to such loans as the loan of \$71,000,000 that was made to the Argentine 3 or 4 years ago, of all nations in the world, to stabilize the price of corn. Let us raise these funds from some other source, not from our own farmers.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, I want to speak briefly about two things. I want to emphasize the fact that there really should be something done about Federal credit where it is in competition with country banks. If we believe that the country banks should be sustained, we have to do something about it. We have to repeal some provisions of the Federal law and a few other things, and this Committee on Agriculture has to start it.

The second thing I want to emphasize is this: My distinguished colleague said that we are all against subsidies, that the farmers are against it. Of course they are. But we are going to be faced in a week with the inevitable situation that the Committee on Agriculture Appropriations faces, and that is to continue subsidies to the milk producers. We are forced into the situation because we have been whipped in both Houses because we did not have two-thirds. Mr. Fred Vinson has set a ceiling, and now if we take away the subsidies from the milk producers we are sabotaging the milk producers. We are going to face the proposition in a few days of

being called saboteurs if we take the subsidies away from the milk producers right now.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman that down in Georgia, a week ago Sunday, 1,000 gallons of milk were poured down the sewers, on which a special subsidy of 60 cents a hundred was paid.

Mr. LAMBERTSON. And some of the Members who are talking against subsidies today are going to be supporting it on this floor within a week, I predict.

Mr. HOPE. Mr. Chairman, I yield the remainder of the time to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. I do not like to get into this kind of an argument when we have such a short time in comparison to the other side but I guess we are in it and we will have to do the best we can. It appears like 15 minutes for one side and 45 minutes for the other side. If there is anybody in this Chamber who wants to raise the interest rates on the farmers at this time, I will be very glad to have him stand up and be counted. He should be given the chance to explain why the 800,000 bona fide farmers of this country should be asked to pay for the pound of flesh at this time when millions are being scattered around the way they are being scattered around. You are taking \$28,000,000 a year for 60 years to build houses or housing units right now for people who never owned houses before, when you have driven farmers off their farms and out of their homes because they could not pay a three or four thousand dollar loan. You are building homes for these people costing from five to six thousand a unit, subsidizing them with this \$28,000,000 and are taking this \$11,000,000 pound of flesh from the farmers to pay it.

A year ago you felt sorry for the bureaucrats, even those getting ten and fifteen thousand dollars a year. You had to pay them overtime. You gave them more overtime than the base pay of a soldier amounts to in order to get them to help win the war. You have to give it to the bureaucrats, even if we have to go down now and take this \$11,000,000 pound of flesh from 800,000 farmers who have not asked for any overtime.

I say to the Members of this House that there has never been a \$300,000,000 subsidy interest for farmers, regardless of the report, and regardless of every speaker who has been up here and said so. I repeat this statement. If you take time to look at that report you will find that next year the Land Bank Commissioners will need \$7,400,000 for subsidizing interest on \$400,000,000. That is 1½ percent. In other words, it is going to take over 5¼ per cent interest in order to carry the thing on its own; therefore, there has not been a subsidy of that amount of money on interest. The necessity for subsidy has been due to the inefficient operation of those programs.

Had they been run efficiently, there would have been no reason to come around and take this \$11,000,000 pound of flesh out of the 800,000 farmers who have lived through 10 years of drought, who have lived through 10 years of depression, and then come along at this late date and say, "We have to raise your interest; we cannot carry on the way we have been."

There is another point I want to bring out here. Stop and look at some of these other appropriations. Take the Bankhead-Jones loans. Where are the Bankhead-Jones loans? How much are they? Oh, that is a subsidy too; you never hear about that when that appropriation is up.

THE 100-PERCENT, 40-YEAR, 3-PERCENT LOANS
FOR THE FEW

Mr. Chairman, since this Congress appropriated \$15,000,000 for Bankhead-Jones loans for next year and appropriated up to 5 percent or \$750,000 or \$250 to \$300 per farm to find farms for new farmers, even during the war, there are a few facts I wish to bring to your attention. It would appear to be a time to save the effort, the manpower, and the funds so as to have more of all of these factors to use later in connection with procuring farms for veterans.

Appointments as rural carriers and other governmental jobs are evidently being held up for future appointments and this suggestion is surely comparable so far as securing farms is concerned.

In other words why spend \$250 to \$300 per farm of public money to find a farm for a man who has never owned one when the man now on a farm cannot find the manpower to efficiently operate the one he already has?

I also wish to call your attention to the following fact: The official table on page 4449, of the May 11, 1944, CONGRESSIONAL RECORD shows the following:

1. Total number Bankhead-Jones title loans to Dec. 31, 1943.....	35, 146
2. Total number of loans made in Georgia.....	3, 546
3. Total number of loans made in Alabama.....	3, 071
4. Total number of loans made in Mississippi.....	2, 799
5. Total number of loans made in North Carolina.....	2, 495
6. Total number of loans made in Texas.....	2, 682
Total.....	14, 593

This shows that over 10 percent of the 40-year 100-percent valuation 3-percent loans were made in one State, and nearly one-third in four States, and over 40 percent of them in five States.

Information received from Mr. Robert Shields, Solicitor for the United States Department of Agriculture, shows the following:

Section 4, equitable distribution of loans under title I, farm-tenant provisions of Public, No. 210, Seventy-fifth Congress, chapter 517, first session, H. R. 7562, reads as follows:

In making loans under this title, the amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and

the prevalence of tenancy, as determined by the Secretary.

Under Public Law 129, Seventy-eighth Congress, first session, H. R. 2481, chapter 215, page 40, I find the following:

Provided, That the amount which is available to any State or Territory for making loans under such title I shall be distributed by the Secretary, in accordance with rules prescribed by him, among the several counties or parishes in such State or Territory, except that he shall not distribute to any such country or parish in excess of two times the amount which would be distributed to such county or parish in excess of two times available to the State or Territory distributed among the several counties or parishes in such State or Territory on the basis of farm population and the prevalence of tenancy, or an amount sufficient to make not more than five loans in any one State or Territory, whichever amount is the larger.

Table 740, page 620, of the 1942 agricultural statistics shows:

Total number farm-owner operators, part-owner operators, and managers in the United States in 1940.....	3, 735, 489
Total number tenants, croppers, and cash tenants in the United States in 1940.....	3, 416, 999

This same table also shows that in 1940 there were 86,000 farm owners, part owners, and managers in Georgia in comparison to 218,000 tenants, croppers, and cash tenants; that there were 95,000 in the owner group, and 217,000 in the tenant group in Alabama; that there were 101,232 in the owner group, and 179,933 in the tenant group in Arkansas; that there were 154,000 in the farm-owner group and 194,000 in the tenant group in North Carolina; and that there were 213,000 in the owner group and 275,000 in the tenant group in Texas. The above shows that if croppers are classed as tenants, the 100-percent, 40-year, 3-percent loans have not been too far out of line, though some provisions of the Agricultural Adjustment Act increased the land operated by the owner and resulted in tenants being replaced by hired hands.

I do, however, want to make this self-evident point and that is this: If the present timetable and formula is used, a few States will soon have the 100-percent, 40-year, 3-percent loans, and the real farm States that produce the food in peace and war will have 4-percent loans based on 50-percent valuation, and 5-percent loans based on 75-percent valuation. In other words, the real bona fide farmer who obtains his farm by his own efforts will pay 33⅓ to 66⅔ percent more interest each year than the hand-picked administration-sponsored farmer if the present intentions of the present administration are carried into effect.

The point I want to make is this. If you follow the present formula, if you follow the present leadership of this administration, what are you going to come up with? A few States will have the 100-percent, 40-year, 3-percent loans, and the real farm States that produce the food in peace and war will have 4-percent loans based on 50-percent valuation, and 5-percent loans based on 75-percent valuation.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Georgia.

Mr. PACE. Did the gentleman hear my statement a moment ago to the effect that the committee sought to make the tenant purchase loans 4 percent?

Mr. MURRAY of Wisconsin. I heard the statement, but the point I want to make is this. In other words, the real bona fide farmer who obtains his farm by his own efforts will pay 33⅓ to 66⅔ percent more interest each year than the hand-picked administration-sponsored farmer if the present intentions of the present administration are carried into effect.

As far as I am concerned, there is nothing personal about it. Every Member here can vote to raise the farmer's rate of interest, but if that is his judgment, and if that is his opinion of fairness, I am glad to abide by the decision of this House.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Let us get down to the crux of this thing. Look at page 2 of your report, and let us talk about the financial end of this for a few minutes. You have \$1,361,000,000 outstanding, according to the table there. When did that first issue, of May 15, 1934, mature? It was called on the 15th day of this month. At what rate can they put that money out again? The top rate is 2½ percent on Government bonds. These banks have the money. The gentleman from Georgia has stated, in substance, I believe, that they do not know what to do with the money that is being paid in by the farmer, yet they are proposing to give him the liberal rate of 4 percent. Why do they not give him a rate of interest in line with the money market today, like any other banking institution?

Let us take the next issue, July 1, 1934. When will that be called? July 1, 1944, just a few days from now.

Take the next issue, July 15. When will that be called? This gets into the question I raised in my original remarks about calling and refunding these bonds if you have to have the money, but the money is being paid in. Will the gentleman comment on that phase of this question?

Mr. MURRAY of Wisconsin. There is no doubt that this money is cheap and there is no doubt that you are absolutely right.

Mr. CRAWFORD. This is my point. You put your money out today at 2½ percent, that is to say, money is available at 2½ percent. Add your 1 percent, which is the historical background, and it gives you a 3½ percent rate to charge the farmers, so the rate the gentleman proposes is exactly right. It is right on the market nose. There is no need of talking about the 4 percent because you cannot justify it. If they could put the money in Government bonds at a higher rate than 2½, that is a different story.

Mr. MURRAY of Wisconsin. I thank my distinguished colleague from Michigan for his keen analysis of the situation.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, this is a splendid piece of legislation to demagog on, but when you go into the farm-credit situation and try to do what is right, I believe you will come to the conclusion that the committee acted wisely in trying to fix a uniform rate of 4 percent on all farm loans. The land banks have voluntarily reduced their interest rate, effective June 30, to 4 percent, and I understand that the Land Bank System will be able to continue that rate through the years and at the same time be in a position to retire the money it has borrowed from the Federal Government.

By this legislation we are bringing the interest on the Commissioner loans down to 4 percent, thus providing a uniform rate for both land-bank and Commissioner loans. Moreover, the Committee on Agriculture in considering the interest on farm-tenant loans has unanimously agreed to bring those loans up to 4 percent. When this is done we will have a uniform interest rate on all types of agricultural loans, and that is as it should be.

The Federal Government has been more than fair to the farmers. During the depression we reduced the interest rate not only on land-bank loans but on Commissioner loans to 3½ percent, and that reduction cost the taxpayers of America something over \$300,000,000. We will never get back one penny of that subsidy, if you want to call it a subsidy, that we paid the farmers when we reduced the interest rate on Commissioner loans and land-bank loans, to 3½ percent.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The reason we had to reduce that interest rate to 3½ percent was that the farmer was not getting a fair price for his product. Now that he is getting a fair price, I think the gentleman will agree that he should pay a fair rate of interest, in line with other interest rates.

Mr. FLANNAGAN. I believe the farmer wants to pay a fair rate of interest. As far as I know, there has been no demand from the great farm organizations, nor has there been any demand from the farmers themselves, from the individual farmer, to keep this rate at 3½ percent. While I am not satisfied with all farm prices, I do believe the farmers are now in position to pay the 4-percent rate.

We talk about cheap money. I realize that money is cheap today, but we are not dealing in this legislation with short-term loans. I know you can get cheap money on 60-day and 90-day paper, or for 6 months or a year, probably; but here you are dealing with loans that run from 20 to 33 years. The land-bank loans run for 33 years and the Commissioner loans run for 20 years. Where can a farmer get this cheaper interest rate on long-term loans? He cannot get the same type of loan from his bank today at 4 percent. If he can, it is

in mighty few sections, and I dare say that very few, if any, of the insurance companies are making loans today on farms at a lower rate than $4\frac{1}{2}$ or 5 percent. These cheap interest rates that we hear so much about are on short-term loans, and such a loan would do the farmer no good.

We are trying to put the Federal Land Bank System upon a sound basis. We are trying to get the Government money out of the Federal system so that the system will be owned by the farmers themselves, and another thing, and an important thing, so that it will not only be owned by the farmers themselves but will be controlled by the farmers themselves. You know and I know that as long as we have Federal money invested in the system the farmer is not going to be in charge of his own bank.

We had a meeting with the representatives of the Federal Land Bank System just the other day. A committee was appointed from among the presidents of the 12 Federal land banks. They met with the Committee on Agriculture and they assured us that within a period of 5 years they would be able to pay off every cent the Federal Government has invested in the Federal Land Bank System. Moreover, all of the Federal land banks in the United States except one, as I understand, will be able to pay back to the Federal Government every cent due within a period of approximately 2 years.

Mr. Chairman, I hope it will be the pleasure of the House to pass this bill.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) the first sentence of paragraph twelfth of section 12 (relating to the $3\frac{1}{2}$ percent interest rate on Federal land bank loans) of the Federal Farm Loan Act, as amended (U. S. C., 1940 ed., Supp. II, title 12, sec. 771), is amended by striking out "occurring within a period of 9 years commencing July 1, 1935" and inserting in lieu thereof "occurring within a period of 11 years commencing July 1, 1935."

(b) The fifth sentence of said paragraph twelfth (relating to the 1944 time limit on payments made by the United States to land banks on account of such interest reduction), is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1946."

SEC. 2. The last paragraph of section 32 (relating to reduction in the interest rate on loans by the Land Bank Commissioner) of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1940 ed., Supp. II, tit.: 12, sec. 1016 (1)), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ percent per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1946. Notwithstanding the interest rate provided for in so-called purchase money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not

exceed 4 percent per annum for all interest payable on installment dates occurring on and after July 1, 1944, and prior to July 1, 1946."

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the first sentence of the last paragraph of section 32 (relating to reduction in the interest rate on loans by the Land Bank Commissioner) of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1940 ed., Supp. II, title 12, sec. 1016 (1)), is amended to read as follows: 'Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ percent per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945.'"

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

I find myself in a somewhat difficult situation today, having to take the other side of the issue from that of my good friend, the gentleman from Wisconsin [Mr. MURRAY]. I want to say that there is no man who has the interest of agriculture more at heart than the gentleman from Wisconsin [Mr. MURRAY]. He is always on the alert to protect the welfare of the farmers and the other people of the country whether they are in his district or not. His services are valued by all of us. But with me this is not a question of interest rates as much as it is that of restoring the farm-credit system to farm ownership and farmer control. As long as the Federal Government puts in a subsidy to make up the difference in interest rates which happens to be a few million dollars, if the motion of the gentleman from Wisconsin prevails, the Federal Government will continue to exercise control over the management and operation of the system and it will be that much longer before the farmers are restored to control of their credit-system agency originally built and intended for their operation and benefit.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Just for a question.

Mr. WHITE. It is my understanding that the Government came in and subscribed to the majority of the stock of the Federal land banks and in that way controlled the Federal land banks and controlled the directorships; is that not correct?

Mr. AUGUST H. ANDRESEN. Not only that, but the law specifically provides that the farm credit organization, the local organizations, are to name four out of the seven directors, so they have control over the policy. But as long as the Federal Government either has capital in it or has to put in subsidy money to make up for the different rates, then the Federal Government can exercise just that much more control over credit pol-

icies. Many of us on the Committee on Agriculture feel we want to get this credit agency back into the hands of the farmers themselves, so they can have a truly cooperative credit agency to take care of their needs. It is not a question of this \$5 difference in interest on the thousand dollars. It is a question of getting this agency out of the clutches of bureaucracy and putting it into the hands of the board of directors who are selected by the farmers.

We have had called to our attention some comparison about the Bankhead-Jones loans. That is an experiment authorized by Congress to put people on the farms with a 100-percent loan under a 3 percent rate of interest.

The question of getting farms for veterans as they return at 3 percent interest, is an entirely different matter from having a system wherein we have sound credit based upon a valuation where the security will sustain the amount that is loaned. I believe we should adopt the committee amendment which was agreed to by all members of the committee, I believe, with the exception of the gentleman from Wisconsin, and I am satisfied that even though he is insisting that the rate should be continued at $3\frac{1}{2}$ percent, he will feel better if we can reestablish farm credit under farmer control and operation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. How much money did the Federal Government put into this proposition roughly?

Mr. AUGUST H. ANDRESEN. I think the Federal Government still has about \$300,000,000.

Mr. CRAWFORD. Why did the Government put that in?

Mr. AUGUST H. ANDRESEN. It put it in to get it started. Some of it went in to get it started, subscribed to the capital, and the other went in during the depression years to give them additional money to loan.

Mr. CRAWFORD. In other words, when real financial trouble developed in the agricultural areas, the party in power, and I certainly assume the gentleman's party is going to do the same thing if the situation ever arises, the Government stepped in and met the situation and saved the farm people of this country; did it not?

Mr. AUGUST H. ANDRESEN. Yes. And the gentleman's party, which happens to be the party of the gentleman who is addressing me, if there is agricultural distress again, and we hope it will not occur, our party will be in there to give relief to the farmers wherever they need it.

Mr. LEMKE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. LEMKE: On page 3, line 12, after the word and figure "July 1", strike out "1944" and insert "1946" and strike out the rest of the paragraph.

[Mr. LEMKE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman who has just left the floor [Mr. LEMKE] called attention to the need of a solvent agriculture at the end of this war. I think we can all agree that this Nation cannot remain solvent without a solvent agriculture. However, I do not think you can have solvency in agriculture unless you establish that agriculture on a sound and self-supporting basis. That is, on a basis where the farmers who produce the crops are able to receive from the sale of those crops enough to pay for the production of those crops and together with a reasonable wage for their labor and a reasonable return on their capital. You are not going to establish sound agriculture by establishing soft credit. Soft credit, subsidized credit, has never pulled anybody out of the hole as a permanent or long-time solution. There are times when you need to bridge over temporarily some kind of a catastrophe when you need that type of credit, but on a long-time basis agriculture can only prosper on foundation of fair prices.

Do not talk to me about that soft credit that the gentleman from North Dakota [Mr. LEMKE], talks about, as a foundation for sound agriculture because all of my life I have been observing the gyrations of the operators in the Dakotas, who have the idea that through some method of credit manipulations without regard to farm prices you could arrive at prosperity on the farm. In spite of the production of very good crops in the last few years, the section represented by the gentleman from North Dakota, is today in probably the worst shape of any agricultural section of this Nation, nor is there at the present time a land bank in the whole system of the United States that is in anything like the desperate straits than is the land bank at St. Paul, which serves the area from which the gentleman from North Dakota comes. They have \$151,000,000 of the \$250,000,000 of Federal money that is in the Land Bank System today. It is right up there in that Dakota area where they have been extended this soft credit, and where they have been making excessive loans and where they have been taking advantage of the Frazier-Lemke Act time and again, that we find the lowest land values and the most insolvent farmers, yet they have had a large dose of soft credit.

In my part of the country I am proud to say the land bank operates on a very conservative basis. We have a sound system of credit in the Houston Land Bank area. We have a bank that is able to provide credit for our farmers, and I believe our farmers are better off by reason of having a bank that is operated on a sound, financial, businesslike basis than they would be if we had that soft credit, which the gentleman suggested should be spread over the Nation. All we need to do is compare the condition of the people who have lived under the credit system which the gentleman proposes, and the condition of the farmers who have lived under a sound credit system, and see which system you would rather have for the Nation.

As to those of you who do not represent farming areas, those who come from the large cities; I hope you will recognize that those of us who do represent the farming areas are sincere when we say to you that we simply want an opportunity to establish a sound credit system and fair prices. Give our farmers good weather and fair prices and they will be glad to pay their debts. We are not asking a hand-out.

We do not come as the railroads came yesterday, asking for a quarter of a billion dollars of taxpayers' money. On the other hand, we only ask that the Government stop giving a subsidy when it is not necessary. We do not come as those from the Panama Canal came the day before yesterday, asking that you give us something for nothing, but we come here asking that the Federal Government stop giving a subsidy when that subsidy ceases to be necessary. We think that we came with clean hands during the periods when the farmer's prices were so depressed that he could not pay a fair interest rate. We then asked that the Government recognize the conditions that then existed, and we were asking that you make a compensating provision in regard to this interest rate for conditions that then existed. But, just as we had a righteous claim on the Government at that time, we would be unfair if we stood before you today and asked that you give us something that we did not have to have. Our farmers will come to this Congress and ask for what we have to have when we must have it and their Representatives here will support them but we are not coming asking for something that we do not need. We can reduce the interest rate on these loans to 4 percent without any Government subsidy. That is a saving of 20 percent on interest to the average farmer below his contract. I think our farmers will appreciate this reduction which they have earned. I do not think you have to buy farmer support by giving a little more than you can support without a Government subsidy. Let us keep farm credit sound.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FLANNAGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. FLANNAGAN]?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, and I do not want to object, but I do think we are entitled to debate this a little more. We have two amendments before us. We have the committee amendment and we have the amendment to the committee amendment. This case has not been fully developed. I hope the gentleman will not press that request.

Mr. FLANNAGAN. Suppose we agree on 20 minutes, then?

Mr. CRAWFORD. What does that allow each member? I think we ought to have 5 minutes.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on this amendment

and all amendments thereto close in 20 minutes.

The motion was agreed to.

[Mr. H. CARL ANDERSEN addressed the Committee at this point in opposition to the committee amendment. His remarks will appear hereafter in the Appendix.]

At the time debate on this amendment was limited the Chair jotted down the names of the Members seeking recognition on the amendment, as follows: Messrs. RIZLEY, CASE, HOPE, CRAWFORD, and MURRAY of Wisconsin. Are there others?

Mr. FLANNAGAN. Mr. Chairman, I desire recognition out of that time.

The CHAIRMAN. Does the gentleman from Oklahoma [Mr. RIZLEY] desire recognition at this time?

Mr. RIZLEY. Mr. Chairman, I should like to yield my time to the gentleman from Michigan [Mr. CRAWFORD].

The CHAIRMAN. Without objection, the gentleman may do so.

There was no objection.

The CHAIRMAN. Does the gentleman from South Dakota [Mr. CASE] desire recognition at this time?

Mr. CASE. Yes.

The CHAIRMAN. The gentleman from South Dakota is recognized for 3 minutes.

Mr. CASE. Mr. Chairman, I rise to get information partly for myself and possibly for some others. I should like to have the attention of the chairman of the committee or the ranking minority member to ask a few questions. First of all: Does the bill H. R. 4102, as originally presented by the gentleman from Wisconsin, cover both land-bank loans and Commissioner loans?

Mr. HOPE. If the gentleman is addressing that question to me I will say that it does.

Mr. CASE. And the portion of the bill which covers the land-bank loans is the first section?

Mr. HOPE. Yes.

Mr. CASE. And the second section of the bill is that portion which relates to Commissioner loans?

Mr. HOPE. That is correct.

Mr. CASE. And the committee amendment relates entirely to Commissioner loans; is that correct?

Mr. HOPE. Yes.

Mr. CASE. The effect of the committee amendment striking out all after the enacting clause is to strike out section 1 in its entirety and also section 2.

Mr. HOPE. That is correct.

Mr. CASE. Then the amendment proposed by the gentleman from North Dakota to the committee amendment although providing 3½ percent, would leave the bill applying only to Commissioner loans.

Mr. HOPE. Yes; that is correct.

Mr. CASE. And in that situation we would have a bill, if it passes, making the interest rate on Commissioner loans 3½ percent but leaving the land-bank loans at 4 percent.

Mr. HOPE. That is correct.

Mr. CASE. Then those Members who want to have 3½ percent established as the interest rate for both Commissioner loans and land-bank loans should vote

against the adoption of the committee amendment, whether amended or not, in order that the bill as originally presented may be considered.

Mr. HOPE. That would be my understanding; yes. It is certainly true that if we adopt the Lemke amendment it would apply only to Land Bank Commissioner loans.

Mr. CASE. Then I should like to point out that we would have a higher rate of interest on the land-bank loans than on the Commissioner loans, yet as a general rule Commissioner loans are junior to land-bank loans and presumably the security is not as good.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CASE. Yes; I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I want to correct the gentleman there by saying the 40 percent of the Land Bank Commissioner loans are first-mortgage loans of comparable if not fully as good character as the Federal land-bank loans.

Mr. CASE. But if either loan is a second mortgage the Commissioner loan is the one and my point is that if either loan should have a lower rate of interest it should be the regular land-bank loans rather than the Commissioner loans that are junior in order of security. Hence, if members want the 3½-percent rate on land-bank loans, in the final vote they should vote against the committee amendment regardless of whether it is amended by the Lemke amendment or not.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I again call attention of the Members to page 2 which shows that the \$1,361,000,000 worth of consolidated farm-loan bonds will all mature between now and May 1, 1946; they are callable. So that takes them out of the realm of speculation as to the high interest rate. That is fundamental No. 1. The Federal Farm Mortgage Corporation holds a great many of these bonds, as they stated to me over the telephone a few minutes ago. So your so-called high-interest bonds pass out of existence because they will be called.

Both parties, Democratic and Republican, I hope, are going to back up agriculture. That means these farm loans are good; made no mistake about that.

If you will refer to the Treasury statement you will find that in 1938 we began to issue 25-year Federal Treasury bonds at 2¾ percent interest. In 1943 we were issuing bonds due in 1969 at 2½-percent interest. On bonds due in 1970 the interest was 2½ percent. So you have established, may I say to the chairman of the committee, these long-term bonds at a rate of 2½ percent, or less.

There is no way that you can justify a higher rate than 3½ percent and when you talk in terms of billions of dollars of loans one-half of 1 percent is something; make no mistake about that. The gentleman from Georgia has

referred to the cheapest money that is sound. If farm mortgages in this country, backed up by Federal money to the extent of \$300,000,000, as has been stated here, are not sound, you tell me what is sound. Here you have \$35,000,000,000 that the Government has borrowed from the people at 2.9 percent on savings bonds. You have \$23,000,000,000 which the Government has borrowed at a rate running from three-eighths of 1 percent up to 1.07 percent. You have twenty-five billion at seven-eighths of 1 percent. You have thirteen billion borrowed at three-eighths of 1 percent. Those are the interest rates.

Mr. Chairman, we can finance these bonds on the basis of 2½ to 3½ percent today if we want to do so. You can take your own responsibility with the farmers on that statement. I have watched these interest rates, and I know what we can do; I know what the market will support today, and I am not going to vote for 4 percent now or later when the market is in the condition it is in at the present time.

It has been stated here that these banks have the money on hand that they do not know what to do with, that there is no market for the money, but they are asking farmers 4 percent. Yet they lend to the Government on a 25-year basis and they get 2½ percent. Why not give these farmers not to exceed the 3½-percent rate?

Mr. MICHENER. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. MICHENER. If the 3½ percent is adopted will we continue to have to pay the subsidy which the Government is paying to the farmers on these loans now?

Mr. CRAWFORD. It has been stated here that the banks are oversupplied with money, that they have more money than they can lend to the farmers, but the banks want to charge the farmers 4 percent when the same banks can only get 2½ percent in Government 25-year bonds. They can lend the money at 3½ percent and pick up 1 percent over and above what the Government will pay them on the money they lend to the Government; therefore, you cannot justify the 4-percent rate and that to me automatically removes the subsidy from the picture.

Mr. PACE. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. PACE. How are the banks going to pay the balance of this \$300,000,000 which the Government has if it takes 1 percent to service the loans and to cover the losses?

Mr. CRAWFORD. Your Government is borrowing money at from three-eighths of 1 percent up to 2½ percent today. Why do those banks have to pay 3½ percent? Your bonds are maturing subject to call, as I pointed out, and as your report shows. Why do the banks have to pay the Government 3½ percent?

Mr. PACE. The gentleman, as a businessman, would not advocate the land banks getting more short-term money for 2 or 3 years on a 33-year loan, then

4 or 5 years from now have to pay 5 or 6 percent?

Mr. CRAWFORD. If the Government can sell paper today due in 25 years at 2½ percent, the Government should sell the paper if it needs the money at this low rate, and if it can borrow money payable in 50 years at 2½ percent then do that also.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I want to take this time to assure the gentleman from Kansas [Mr. HOPE] that I appreciate his timely advice and I will make every effort to keep on the good side of the farmers of my particular district. I did not make very many promises to get back to the Congress, but I did make one to my people and that was that I would not do one thing nor have one thought or say one word that would make this war last 1 day longer than necessary. If I were the most ardent administration man there is in Congress I could do no more than I am trying to do here today. In my opinion it would be a mistake for the administration at this time to allow these interest rates to be raised. There are many reasons why we should not do this. There is much confusion in the agricultural world now. We do not even know who is going to be Governor of the Federal land bank. We do not know whether Mr. Quinn will name the Governor, or whether Mr. Wickard will name the Governor.

Mr. Chairman, at this time we should leave these interest rates alone and not give any group any reason for complaints. We should let these farmers go ahead with their present rates and not be a party to raising the rates at this time.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I rise at this time to point out what the effect of the pending amendment will be. As has been suggested by the gentleman from South Dakota [Mr. CASE] the effect of the Lemke amendment would be to make the rate on Commissioner loans 3½ percent.

Commissioner loans are in some cases second mortgages. In all other cases they are based upon 75 percent of the value of the land. In other words, they are a less safe loan than the land-bank loan. If you are going to charge a lower rate for a more hazardous type of loan than upon a sound loan, this will have the effect of driving the good loans away from the Federal land banks and into the Federal Farm Mortgage Corporation because there is no reason why anyone should pay 4 percent when he can get a loan on a larger valuation for 3½ percent. The effect, of course, is going to be ultimately, that if carried to its logical conclusion, the Federal Land Bank System will be destroyed. The

Land Bank System is the thing we want to preserve. That is the System the farmers have set up for themselves.

When the indebtedness of the Government is paid off it will mean that the farmers will then own and control their own lending system which will go on and function through the years, in good times and bad, and to the extent it is used will relieve farmers from dependence either upon private credit or governmental credit. I would hate to see anything done today that would in any way impair the vitality and the vigor of that System.

Mr. MICHENER. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. MICHENER. Is that the reason that the Grange, the Farm Bureau, and other farm organizations are opposed to the 3½ percent and favor the committee bill?

Mr. HOPE. I am not authorized except as to the statement which I read from Mr. Goss to say whether farm organizations are for or against the committee bill. I can say, however, that no farm organization has requested a continuation of the 3½-percent rate although all of them have done so in the past.

Mr. LEMKE. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Dakota.

Mr. LEMKE. Did I understand the gentleman to say that the farm organizations have O. K.'d the committee bill or have they just been silent because they did not know what you were doing?

Mr. HOPE. The farm organizations were all aware that this bill was pending. None of them asked for the 3½ percent rate.

Mr. LEMKE. Have any of them asked for the 4 percent?

Mr. HOPE. Awhile ago I read a statement made by Mr. Albert Goss of the Grange in which he stated the position of the executive committee of that organization on the 4 percent rate.

Mr. LEMKE. I am satisfied that the Farmers Union is against it.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I want to clear up just a few matters. One of the gentlemen stated that there were around \$7,000,000,000 in farm mortgages in America, intimating, at least, that all of these mortgages are being carried by the Federal Land Bank System. To be exact farm mortgages are around \$5,800,000,000.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is the gentleman taking into consideration the chattel mortgages which would amount to an additional \$5,000,000,000 at least, besides the seven billions of farm mortgages? My estimate, if anything, was very conservative as to the total farm indebtedness.

Mr. FLANNAGAN. I am talking about farm mortgages. That is what the gentleman was talking about.

The gentleman said that a reduction of one-half of 1 percent on \$7,000,000,000 would be around \$35,000,000 per year. Let me call the gentleman's attention to the fact that less than 2,000,000,000 of those mortgages are carried by the Federal land banks and the land bank commissioners.

Mr. H. CARL ANDERSEN. Will the gentleman yield further?

Mr. FLANNAGAN. I do not have the time.

Mr. H. CARL ANDERSEN. As long as the gentleman brought my name into the discussion, may I bring something to the gentleman's attention. He fails entirely to bring out the fact that all farm indebtedness is eventually affected by this increase of one-half of 1 percent and I still maintain that my statement as to \$35,000,000 cost to agriculture is very conservative.

Mr. FLANNAGAN. No, unless the gentleman has a question. I have only 3 minutes.

The fact is that less than \$2,000,000,000 of the farm mortgages are owned by the Federal Land Bank System. You are dealing with only one-half of 1 percent on that amount of loans and not on the \$5,800,000,000 farm mortgages, or, in other words, 8 or 9 million dollars instead of \$35,000,000. What we are anxious to do is to put the Federal Land Bank System upon a sound basis so it can eventually be farmer-owned and farmer-controlled as this Congress intended it should be. You know and I know that as long as we have a single penny of Federal money invested in the Federal Land Bank System, the control of that Systems will not be in the hands of the farmers.

Now, another thing, the best financial advisers on such matters that we could find stated that it would take from 1 to 1½ percent to service these loans, pay losses, and lay aside a reasonable surplus in order to retire the Federal money invested in the System. One of the gentlemen harped on the fact that long-term money could be obtained at 2½ percent interest. Assuming that you could get money at 2½ percent for a sufficient length of time to finance these loans—some of them run for 20 years and others for 33 years—when you add to this rate the servicing of the loans and the losses you will find that the 4-percent rate is reasonable. This only allows a play of 1½ percent, out of which will have to come servicing, losses, and surplus. And if the Federal money is ever retired so the System will become farmer-owned and controlled you have got to lay aside a surplus out of which Federal funds can be paid off.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment to the committee amendment.

The question was taken; and on a division (demanded by Mr. LEMKE) there were—ayes 12, nays 69.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. WHITE) there were—ayes 83, nays 23.

So the committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 4102) to extend for 2 additional years the reduced rates of interest on Federal land-bank and land-bank commissioner loans, pursuant to House Resolution 558, reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. FLANNAGAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 67]

Allen, Ill.	Folger	Manasco
Andrews, Ala.	Ford	Mansfield, Tex.
Andrews, N. Y.	Fulbright	Martin, Iowa
Baldwin, Md.	Fuller	Mason
Baldwin, N. Y.	Furlong	Merritt
Barden	Gallagher	Merrrow
Beall	Gavin	Morrison, N. C.
Bell	Gilchrist	Murphy
Bender	Gore	Myers
Bland	Granger	Newsome
Bonner	Grant, Ind.	Norton
Boren	Green	O'Neal
Boykin	Griffiths	Patton
Bradley, Mich.	Gross	Peifer
Brehm	Halleck	Philbin
Brumbaugh	Hart	Plumley
Buckley	Hays	Ramspeck
Bulwinkle	Hébert	Randolph
Burdick	Heffernan	Rees, Kans.
Burgin	Hendricks	Robinson, Utah
Byrne	Hollifield	Sasscer
Cannon, Fla.	Holmes, Mass.	Satterfield
Capozzoli	Howell	Scanlon
Carson, Ohio	Hull	Scribner
Carter	Izac	Shafer
Celler	Jackson	Sheridan
Cole, N. Y.	Jenkins	Smith, W. Va.
Costello	Johnson	Stearns, N. H.
Curley	Lyndon B.	Sumner, Ill.
Davis	Kee	Sumners, Tex.
Dawson	Kennedy	Taylor
Dickstein	Kerr	Treadway
Dies	King	Vincent, Ky.
Disney	Kleberg	Vinson, Ga.
Douglas	Klein	Waslewski
Durham	Knutson	Weaver
Eaton	Lea	Wene
Eberharter	Luce	Welchel, Ga.
Ellsworth	McCord	Whitten
Fernandez	McLean	Wickersham
Fitzpatrick	Maas	Wolfenden, Pa.
Fogarty	Madden	Woodrum, Va.

The SPEAKER. On this roll call 306 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings, under the call, were dispensed with.

FEDERAL LAND BANKS AND LAND BANK COMMISSIONER LOANS

The SPEAKER. The question is on agreeing to the committee amendment.

The question was taken; and on a division (demanded by Mr. CASE) there were—ayes 216, noes 43.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MURRAY of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MURRAY of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion of the gentleman from Wisconsin.

The Clerk read as follows:

Mr. MURRAY of Wisconsin moves to recommit the bill to the Committee on Agriculture with instructions to report the same back forthwith with an amendment to provide extension of 3½ interest rate for 2 years as provided in the original, H. R. 4120.

The SPEAKER. The question is on the motion.

Mr. HOPE. Mr. Speaker, I make a point of order against the motion to recommit. It is exactly the same question upon which the House has just voted.

The SPEAKER. The Chair would be compelled to hold that the language is not identical. This is a motion to recommit, as well.

The question is on the motion to recommit.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I ask for the yeas and nays.

The SPEAKER [after counting]. Twenty Members have arisen; not a sufficient number.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed. A motion to reconsider was laid on the table.

The title was amended so as to read: "To extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans."

SIMPLIFICATION OF INDIVIDUAL INCOME TAX

Mr. DOUGHTON, from the Committee on Ways and Means, submitted the following conference report and statement on the bill (S. 1758) to amend section 451 of the Tariff Act of 1930, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1758) to amend section 451 of the Tariff Act of 1930, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 6, 7, 8, and 9, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment, as follows:

Omit the matter proposed to be stricken out by the House amendment and in lieu of the matter proposed to be inserted by the House amendment insert the following: "operator, or agent of a highway vehicle, bridge, tunnel, or ferry,"; and the House agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows:

Omit the matter proposed to be stricken out by the House amendment and in lieu of the matter proposed to be inserted by the House amendment insert the following: "other means of highway travel upon, over, or through any highway, bridge, tunnel, or ferry"; and the House agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment, as follows:

Omit the matter proposed to be stricken out by the House amendment and in lieu of the matter proposed to be inserted by the House amendment insert the following: "other means of highway travel upon, over, or through any highway, bridge, tunnel, or ferry, between the United States and Canada"; and the House agree to the same.

Amendment numbered 4: That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment, as follows:

Omit the matter proposed to be stricken out by the House amendment and in lieu of the matter proposed to be inserted by the House amendment insert the following: "or agent of any such highway vehicle, bridge, tunnel, or ferry, or other person"; and the House agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

Omit the matter proposed to be stricken out by the House amendment and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "over highways or toll bridges"; and the Senate agree to the same.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
PETER GERRY,
A. H. VANDENBERG,
TOM CONNALLY,
ROBERT A. TAFT
(per A. H. V.).

Managers on the part of the House.

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1758) to amend section 451 of the Tariff Act of 1930, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment numbered 1: The Senate bill relieved owners and operators of bridges, tunnels, and ferries between the United States and Canada and between the United States and Mexico from paying the compensation of customs inspectors assigned to duty on Sundays, holidays, or at night to duties in connection with the arrival in and departure from the United States of persons and property by means of such bridges, tunnels, and ferries.

The amendment of the House numbered 1 extended the benefits of this provision to owners and operators of highway vehicles

and aircraft operating between the United States and Mexico and between the United States and Canada.

The Senate recedes with an amendment the effect of which is to omit aircraft from the House amendment.

Amendment numbered 2: The amendment of the House numbered 2 was a technical amendment made necessary by the amendment of the House numbered 1.

The Senate recedes with an amendment in conformity with the action on amendment numbered 1.

Amendment numbered 3: The Senate bill required the collector, under regulations prescribed by the Secretary of the Treasury, to assign customs officers and employees to duty, at ports of entry where persons or property arrive in or depart from the United States by motor vehicle, trolley car, on foot, or by other means upon, over, or through any bridge, tunnel, or ferry between the United States and Canada and the United States and Mexico, at such times during the 24 hours of each day, including Sundays and holidays, as the Secretary in his discretion determined to be necessary.

The amendment of the House numbered 3 extended this requirement to include the assignment of customs officers and employees to duties at customs stations on highways between the United States and Canada and the United States and Mexico and at ports of entry where persons and property arrived in or departed from the United States to Canada or Mexico by aircraft.

The Senate recedes with an amendment the effect of which is to limit the amendment to requiring assignment of customs officers and employees to stations on highways.

Amendment numbered 4: The Senate bill provided that in the cases described in connection with amendments numbered 1 and 3, the compensation payable to the customs officers and employees for duty on Sundays, holidays, or at night shall be paid by the United States without requiring a bond, license, financial undertaking, or payment in connection therewith, on the part of the owner, operator, or agent of any bridge, tunnel, or ferry covered by the bill.

The amendment of the House numbered 4, in conformity with amendments numbered 1 and 3, extended this relief from payment, license, giving bond, etc., to owners and operators of highway vehicles and aircraft.

The Senate recedes with an amendment the effect of which is to limit the extension of this relief under the House amendment to owners and operators of highway vehicles; in conformity with the action on amendments numbered 1, 2, and 3.

Amendment numbered 5: The Senate bill provided that the extra compensation of customs officers and employees heretofore assigned to the performance of inspectional services in connection with traffic between the United States and Canada and the United States and Mexico by means of facilities described in connection with amendment numbered 1, shall be payable by the United States without reimbursement.

The House amendment, in conformity with amendments numbered 1, 2, 3, and 4, extended this provision to include customs officers and employees heretofore assigned to duty in connection with traffic by aircraft, highways, and toll bridges.

The Senate recedes with an amendment the effect of which is to limit the extension of this provision under the House amendment to customs officers and employees assigned to duty in connection with traffic by highways.

Amendment numbered 6: The Senate bill provided that any reimbursement of compensation made payable by the United States without reimbursement under section 2 of the bill shall be refunded.

The amendment of the House numbered 6 limits the refund to amounts which have

accrued and been collected since January 6, 1941.

The Senate recedes.

Amendment numbered 7: The Senate bill directed the Director of the Bureau of the Budget to cause an investigation to be made concerning differences between the compensation of customs personnel performing inspectional work and of other Federal personnel performing comparable work under comparable circumstances, and to report his recommendations to the Congress for the equalization of any differences which will eliminate the necessity for the assignment of individual customs employees to work regularly on seven days in any week. The bill also directed that the Bureau make recommendations with respect to the establishment of pay differentials for customs employees required to work on Sundays, holidays, or at night.

The amendment of the House numbered 7 provided that this investigation, and these recommendations, should be made by the United States Civil Service Commission in lieu of the Director of the Bureau of the Budget.

The Senate recedes.

Amendments numbered 8 and 9: The amendments of the House numbered 8 and 9 are clerical amendments made necessary by amendment numbered 7.

The Senates recedes.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,

Managers on the part of the House.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4559) making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1945, and additional appropriations therefor for the fiscal year 1944, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. SHEPPARD]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. SHEPPARD, Mr. THOMAS of Texas, Mr. COFFEE, Mr. WHITTEN, Mr. PLUMLEY, Mr. JOHNSON of Indiana, and Mr. PLOESER.

(Mr. GIBSON, Mr. SCANLON, and Mr. BOREN asked and were given permission to revise and extend their own remarks in the RECORD.)

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HOFFMAN] may revise and extend the remarks he made today and include therein a newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a short editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. TIBBOTT. Mr. Speaker, I have two requests: First, to extend my own remarks in the Appendix and include an

address by the Senator from Pennsylvania, Hon. JAMES J. DAVIS, before the Pennsylvania Republican State Committee in Philadelphia on May 20; and second, to extend my own remarks and to include a newspaper article from a publisher in Cambria County, Pa., concerning boys 18 years of age.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks on three different subjects, to include in one a poem on Mother's Day, in the second a very able address delivered by ex-Ambassador Joseph C. Kennedy at Boston, and third, to include a resolution adopted by the city council of Lynn, Mass.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks on three subjects and to include therein a resolution of the city council of Chicago, and two items from the Times-Herald of Washington.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a letter from one of my constituents on the subject of the American soldier.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a brief magazine article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include an article that appeared in the Vernon County Broadcaster of Virogua, Wis., of May 11, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a telegram.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article from the Fergus Falls Daily Journal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article by the Honorable Robert F. Kerr, Governor of Oklahoma, outlining the very excellent State soldiers' vote bill which was recently passed by the Oklahoma Legislature.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. ROLPH. Mr. Speaker, I ask unanimous consent that on Friday next after the disposition of the legislative business of the day and other other special orders I may address the House for 10 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent that on tomorrow after the conclusion of the legislative business of the day and other special orders I may address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESIGNATION OF HON. WILL ROGERS, JR.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks will appear hereafter in the Appendix.]

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HAYS, for 3 days, on account of official business.

To Mr. CAPOZZOLI (at the request of Mr. KENNEDY), for an indefinite period for official business as chairman of Subcommittee on Shipyard Production.

To Mr. JACKSON, for 3 days, to attend hearings of Merchant Marine Committee out of the city.

To Mr. VINCENT of Kentucky, at the request of Mr. CHAPMAN, indefinitely, on account of necessary official business.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move the House do now adjourn.

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17/11
25

78TH CONGRESS
2D SESSION

H. R. 4102

IN THE SENATE OF THE UNITED STATES

MAY 25 (legislative day, MAY 9), 1944

Read twice and referred to the Committee on Banking and Currency

AN ACT

To extend for one additional year the reduced rate of interest
on Land Bank Commissioner loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of the last paragraph of section 32
4 (relating to reduction in the interest rate on loans by the Land
5 Bank Commissioner) of the Emergency Farm Mortgage Act
6 of 1933, as amended (U. S. C., 1940 edition, Supp. II, title
7 12, sec. 1016 (i)), is amended to read as follows: "Not-
8 withstanding the foregoing provisions of this section, the
9 rate of interest on loans made under this section shall not
10 exceed 4 per centum per annum for all interest payable on
11 installment dates occurring on or after July 22, 1937, and

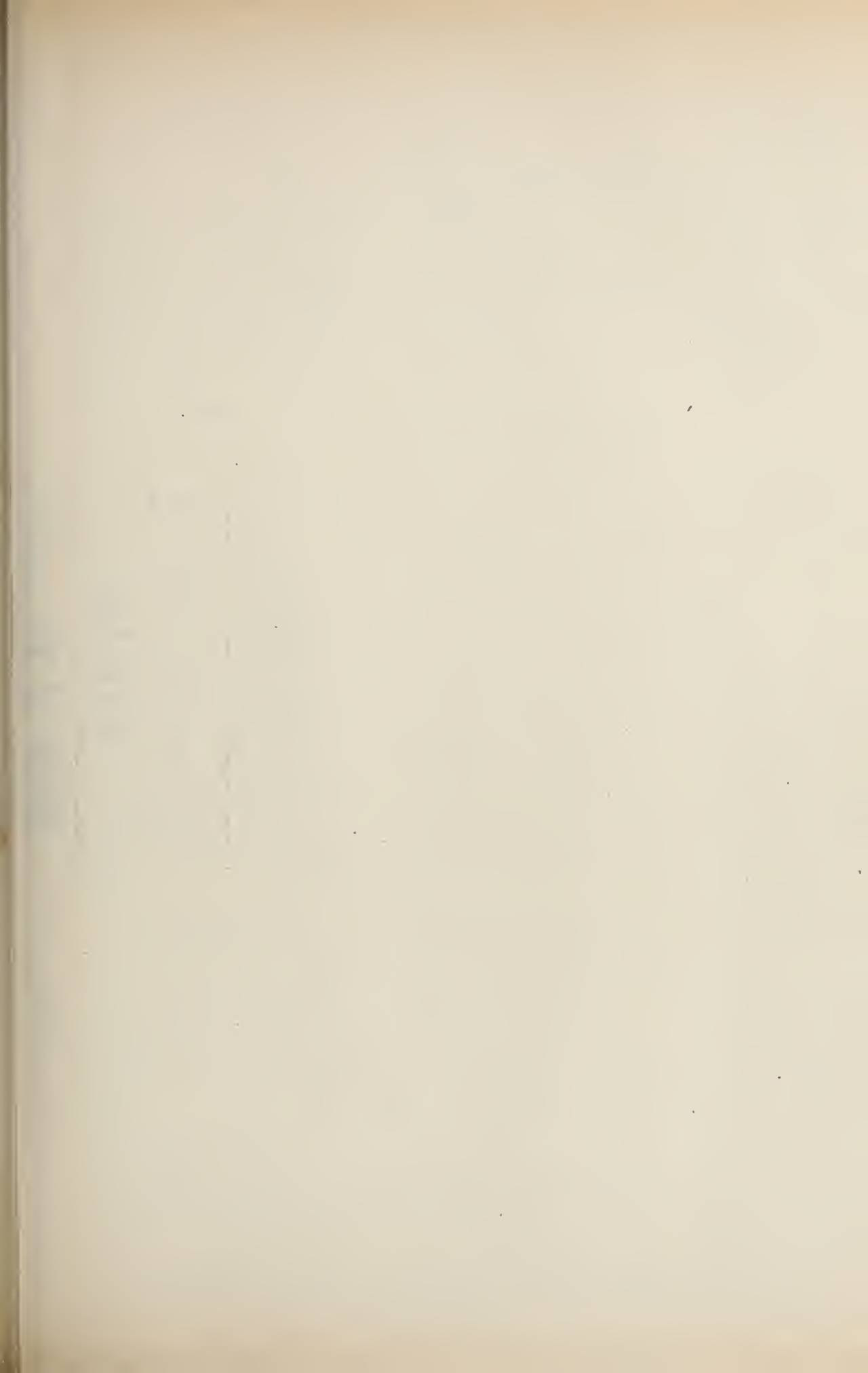
1 prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ per centum
2 per annum for all interest payable on installment dates oc-
3 ccurring on or after July 1, 1940, and prior to July 1, 1944,
4 and shall not exceed 4 per centum per annum for all interest
5 payable on installment dates occurring on or after July
6 1, 1944, and prior to July 1, 1945.”

Passed the House of Representatives May 24, 1944.

Attest:

SOUTH TRIMBLE,

Clerk.



78TH CONGRESS
2^D Session

H. R. 4102

AN ACT

To extend for one additional year the reduced rate of interest on Land Bank Commissioner loans.

MAY 25 (legislative day, May 9), 1944
Read twice and referred to the Committee on
Banking and Currency

providing for the allocation of funds for this program sometime ago?

ELSIE M. DUWE (Mrs. A. H.),
Corresponding Secretary.

NATION-WIDE BROADCAST OF CONGRESSIONAL PROCEEDINGS

Mr. CAPPER. Mr. President, the School Custodians Local No. 255, of the American Federation of Labor, Kansas City, Kans., have adopted resolutions urging Congress to establish a Nation-wide broadcast of its proceedings, a proposal which I think might be worthy of serious consideration. I ask unanimous consent to have the resolutions printed in the RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Rules and ordered to be printed in the RECORD, as follows:

Resolution requesting that the proceedings of Congress be broadcast so that the people will understand clearly the functions of democracy in the making

Whereas the affairs of Congress and of government in general are vital to every citizen; and

Whereas no present method exists to provide full information to the average citizen about the real happenings in our Congress; and

Whereas radio is the simplest and most effective medium for communicating with every American in every part of the country; and

Whereas New Zealand adopted a program of short-wave broadcasts of the proceedings of its Parliament, and has successfully demonstrated that full knowledge by citizens of the affairs of government stimulates and strengthens the democratic system; and

Whereas our Congress could lease radio time from one or more networks, several important and powerful stations, or broadcast by short-wave all important debates, excepting such matters as might jeopardize national security during this war: Now, therefore, be it

Resolved, That we propose and urge upon Congress enactment of the necessary measures to establish a Nation-wide broadcast of its proceedings; and be it further

Resolved, That we communicate with each political party asking that this proposal be considered and included in the program adopted at its next convention; and be it further

Resolved, That a copy of this resolution be sent to the Members of Congress.

By CHARLES H. IRELAND,
Secretary, Local No. 255, B. S. E. I. U.
of A. F. of L.

RIVER AND HARBOR IMPROVEMENTS— REPORT OF COMMERCE COMMITTEE

Mr. OVERTON. From the Committee on Commerce, I report back favorably, with amendments, the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and I submit a report (No. 903) thereon.

Mr. GUFFEY. Mr. President, will the Senator yield for a question?

Mr. OVERTON. Certainly.

Mr. GUFFEY. Has the bill as proposed to be amended been printed?

Mr. OVERTON. It has not as yet been printed. I am reporting it now so that it may be printed in the next day or two.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and the bill will be placed on the calendar.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LANGER, from the Committee on the Judiciary:

S. 1898. A bill to amend section 99 of the Judicial Code, as amended, so as to change the term of the District Court for the District of North Dakota at Minot, N. Dak.; without amendment.

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

H. R. 634. A bill to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral; without amendment (Rept. No. 904).

By Mr. WHEELER, from the Committee on Interstate Commerce:

S. 1473. A bill to amend the Interstate Commerce Act, as amended; with amendments (Rept. No. 905); and

H. J. Res. 227. Joint resolution extending the period for the acquisition by the Railroad Retirement Board of data needed in carrying out the provisions of the Railroad Retirement Acts; without amendment (Rept. No. 906).

By Mr. BYRD, from the Committee on Civil Service:

H. R. 4115. A bill to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed; with amendments (Rept. No. 907).

By Mr. KILGORE, from the Committee on Claims:

S. 887. A bill conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer; without amendment (Rept. No. 908); and

H. R. 3596. A bill conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Zephyr Aircraft Corporation against the United States; without amendment (Rept. No. 909).

By Mr. EASTLAND, from the Committee on Claims:

H. R. 2769. A bill for the relief of Mrs. Lillian W. Timmerman, mother of Ann Timmerman, a minor, deceased; without amendment (Rept. No. 910); and

H. R. 3737. A bill for the relief of M. H. Harris; without amendment (Rept. No. 911).

By Mr. TUNNELL, from the Committee on Claims:

S. 1365. A bill for the relief of J. C. Drewry; without amendment (Rept. No. 912);

S. 1709. A bill for the relief of Mrs. Clark Gourley; with amendments (Rept. No. 914);

S. 1904. A bill for the relief of J. Fletcher Lankton and John N. Ziegele; without amendment (Rept. No. 913); and

H. R. 2097. A bill for the relief of W. J. Cox; with amendments (Rept. No. 915).

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on May 23, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 254. An act for the relief of Edward Gilham; and

S. 1771. An act authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities; and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. McCARRAN introduced Senate bills 1949 and 1950, which were referred to the Committee on Commerce, and appear under a separate heading.)

By Mr. KILGORE:

S. 1951. A bill granting an increase of pension to Robert Blake; to the Committee on Pensions.

By Mr. WHEELER:

S. 1952. A bill authorizing and directing the Secretary of the Interior to issue to Minnie Ortle Kirk, a patent in fee to certain land; to the Committee on Indian Affairs.

By Mr. CHAVEZ:

S. 1953. A bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands; to the Committee on Indian Affairs.

(Mr. FERGUSON introduced Senate Joint Resolution 133, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

DOMESTIC AND FOREIGN COMMERCIAL AVIATION

Mr. McCARRAN. Mr. President, some time ago I introduced a bill, now known as S. 1790, bearing on the subject of aviation. The bill had in it two outstanding phases affecting the law of aviation. One was that relating to domestic aviation. It was, and is, a complete rewriting of the law of aviation. The other phase of the bill dealt with foreign commercial aviation.

At the time of the introduction of the bill I issued an explanatory statement, and sent copies of the bill throughout the entire country, for study by those who are interested in the subject.

Since that time the Committee on Commerce has been giving careful attention to the general subject of post-war aviation. The comments I have received from students of this subject have impressed me with the thought that the whole subject would best be understood and both phases of the question would best be studied and considered if the two phases were separated, that is if the provisions relating to the law of domestic aviation, as I have hoped to write them, should be considered separate from the provisions relating to the law of what I choose to call foreign aviation, or that form of commercial aviation having to do with air transportation from this country to the other countries of the world.

In order that the Committee on Commerce may have a better opportunity to study the question both as an entirety as it is now before the committee in Senate bill 1790, and in order that it may have the opportunity of studying the question from a domestic standpoint separated from foreign commercial aviation, and in order that the committee may study the foreign phase of commercial aviation separate from the domestic phase, I have thought it best to divide the bill S. 1790, and I am now introducing a bill to cover the domestic side of commercial aviation and also a bill specifically to cover what, in my judgment, is the proper method for this country to pursue in the post-war period and almost immediately, if you please, in relation to our commerce by air with the countries of the world.

Let it be understood that no one change is made in the policy or plan of my orig-

inal bill. Only that the committees may study the two phases of the question separately and that the Congress may study them separately and that the country may study them separately have I divided the subject. I now send forward a bill dealing with the domestic side of aviation which I ask consent to introduce.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

Mr. McCARRAN. I also ask consent to introduce a bill dealing with the foreign side of aviation, as I please to term it.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

The following bills, introduced by Mr. McCARRAN, were each read twice by their titles and referred to the Committee on Commerce:

S. 1949. A bill to create an independent Civil Aeronautics Authority and an independent air safety board, to promote the development and safety and to provide for the regulation of civil aeronautics, and to promote world leadership by the United States in aviation; and

S. 1950. A bill to create the All-American Flag Line, Inc., and to assure the United States world leadership in the field of air transportation.

EXTENSION OF TIME FOR CERTAIN COURT-MARTIAL PROCEEDINGS

Mr. FERGUSON. Mr. President, on December 7 last, Congress extended for a 6 months' period the time within which court-martial proceedings might be brought against any person or persons guilty of any dereliction of duty in connection with the Pearl Harbor disaster. In the same joint resolution Congress extended the statute of limitations for bringing any action against any civilian for the same period of time.

If any prosecution is to be had against any military or naval officer or member, proceedings must be begun within this 6 months' period. The same thing is true of civilians.

We have had no evidence from either the Department of Justice or the Army and Navy that any such proceedings have been taken. We have had some information from newspaper reports indicating that the Navy has designated Admiral Hart to obtain depositions or affidavits in connection with the Pearl Harbor disaster, but no detailed information of their contents or purpose is available to Congress.

It is, therefore, but fitting that we extend the period within which actions might be brought against anyone in the military or naval service or any civilian, as the case may be, for a further period of 3 months.

I believe that sufficient time has been allowed to all authorities, civil and military, within which to bring such proceedings. But as we have only a few days until the present extension of the statute of limitations will expire, I believe that a 3-month extension should be granted, and that a further provision should be enacted which would direct the Secretary of War and the Secretary of the Navy to institute court-martial proceedings on all charges against any

person or persons, to whose court martial the extension of time provided for in section one of the resolution relates, and that such proceedings be brought as soon as possible, and in no event not later than the period of extension provided for in the joint resolution—that is, 3 months.

It is a well-known fact that delay in bringing prosecutions as a rule is beneficial to those who are guilty of any crime or dereliction of duty. It is equally true that for those who have a legitimate defense delay may be detrimental to the presentation of such a defense.

It is therefore important that Congress perform its duty and extend this statute of limitations, and also direct the Secretary of War and the Secretary of the Navy to institute proceedings within this period, that justice may be done.

This is not only our constitutional right, but it is our constitutional duty. Section 8 of article I of the Constitution provides that—

The Congress shall have power to * * * provide for the common defense and general welfare of the United States; * * *

To raise and support armies; * * *

To provide and maintain a navy;

To make rules for the Government and regulation of the land and naval forces; * * *

To provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States; * * *

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

Mr. President, I ask consent to introduce a joint resolution, and request that it be referred to the Committee on the Judiciary for action.

The ACTING PRESIDENT pro tempore. Without objection, the joint resolution will be received and referred as requested.

The joint resolution (S. J. Res. 133) to extend the time limit for immunity was read twice by its title and referred to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 4102. An act to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans; to the Committee on Banking and Currency.

H. R. 4184. An act to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic; to the Committee on Interstate Commerce.

H. R. 4861. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes; to the Committee on Appropriations.

ABOLITION OF POLL TAX BY CONSTITUTIONAL AMENDMENT—ADDITIONAL SPONSOR OF SENATE JOINT RESOLUTION 132

Mr. WHERRY. Mr. President, by unanimous consent, at the request of the

Senator from Oregon [Mr. HOLMAN], who has just returned to the city from Oregon, I ask unanimous consent that his name be added to those of the sponsors of Senate Joint Resolution 132, proposing an amendment to the Constitution of the United States relative to removal of the requirement for payment of poll tax.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INVESTIGATION OF THE USE OF PUBLIC LANDS—LIMIT OF EXPENDITURES—AMENDMENT OF RESOLUTION

Mr. BARKLEY. Mr. President, on Tuesday last the Senate agreed to Senate Resolution 288, increasing by \$10,000 the limit of expenditures by the War Contracts Subcommittee of the Committee on Military Affairs under authority of Senate Resolution 198 of the present Congress.

The date on which the Senate agreed to Senate Resolution 198 is incorrectly stated in Senate Resolution 288 as February 8, 1942, whereas the correct date, as shown by official Senate records, is February 8, 1944.

For the purpose of correcting this clerical error, I submit the following unanimous-consent request, namely:

That the vote agreeing to Senate Resolution 288 on Tuesday be reconsidered; that the resolution be amended by striking out the figures "1942" and inserting "1944"; and that the resolution as thus amended be considered as agreed to.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CENTENNIAL OF THE TELEGRAPH—ADDRESS BY SENATOR AUSTIN

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD the address delivered by him in the Capitol on May 24, 1944, on the occasion of the presentation of a plaque commemorating the centennial of the telegraph, which appears in the Appendix.]

ANNOUNCEMENT FOR SENATE—ADDRESS BY SENATOR THOMAS OF OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a radio address announcing his candidacy for reelection to the Senate, delivered by him May 16, 1944, in Oklahoma, which appears in the Appendix.]

THE POLITICAL SITUATION IN OREGON—ADDRESS BY SENATOR HOLMAN

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an address on the political situation in Oregon, delivered by him on May 18, 1944, which appears in the Appendix.]

THE FUTURE OF COMMUNICATIONS—ADDRESS BY SENATOR WHEELER

[Mr. WHEELER asked and obtained leave to have printed in the RECORD a radio address entitled "The Future of Communications," delivered by him at the exercises held in the rotunda of the Capitol Building, Washington, D. C., on the occasion of the celebration of the centennial of the telegraph, May 24, 1944, which appears in the Appendix.]

ADDRESS BY BERNARD M. BARUCH IN ACCEPTING THE CHURCHMAN AWARD

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered by Bernard M. Baruch on the occasion of his acceptance of the Churchman

herewith an article by Frank R. Kent, as follows:

BROWDER ENDORSEMENT OF FOURTH TERM DECLARED BOTH LOGICAL AND CONSISTENT
(By Frank R. Kent)

For the Communist Party, which now calls itself the Communist Political Association, to favor Mr. Roosevelt's fourth-term candidacy is entirely logical and consistent.

This was forecast many months ago by the declaration of Mr. Earl Browder, whom Mr. Roosevelt released from prison "in the interest of national unity" nearly 2 years ago, and will surprise no one.

In his demand for a fourth Roosevelt term, Mr. Browder was so far ahead of all others that he easily can establish his claim to being the original fourth term.

The C. I. O. leaders, the city bosses, such as Hague and Kelly, all followed Mr. Browder—they did not precede him. Moreover, Mr. Browder is not swinging his party for a fourth term because of the presidential pardon. In all probability he would have taken the lead in the movement if he were still in jail.

Support of Mr. Roosevelt and the New Deal has been a Communist Party policy since 1936. The Communists supported Mr. Roosevelt even when they had a Presidential candidate of their own. They supported him even when he found it politically expedient to say he did not desire their support. And the reason the Communists have been for Mr. Roosevelt so long and are for him so unitedly this time is very clear indeed.

MOVE TOWARD "OUR GOALS"

They have publicly declared it upon various occasions. In brief, it is that the Roosevelt policies and the New Deal tend in the Communist direction and, better than anything else, help move the country toward "our goals." Communist platforms have said this in so many words and Mr. Browder, the Communist leader, has proclaimed it in his speeches.

Until quite recently, one of the clearly understood goals of the Communist Party was to bring about an economic chaos in this country out of which communism would emerge. The New Deal being clearly headed toward economic chaos, the Communist support was clearly intelligent from their standpoint.

Early in 1942, during the deportation proceeding against Harry Bridges, radical West coast C. I. O. labor leader, Attorney General Biddle characterized the Communist Party as an agency which advocated the overthrow of the United States Government. A very short time ago through Mr. Browder, it was announced that the Communist Party would put no Presidential candidate in the field this year and intended to dissolve as a political party.

At its convention on Sunday it changed its name and adopted a constitution in which expulsion was pronounced upon all those who seek to "subvert, undermine, weaken, or overthrow any or all institutions of American democracy." Thus, the leopard changed its spots—or at least, such is the idea sought to be promulgated. Of course, none but the most completely credulous believe any such thing.

The change in name means nothing. The abandonment of the separate party idea relieves the leaders of both labor and expense. It in no way weakens their position as a solid voting bloc. It involves no change in either leadership or aims. It increases their political potency.

EASIER "TO BORE FROM WITHIN"

It makes it easier for the Communists to "bore from within," and anyone who does not think they have been successfully boring might ponder the completeness with which it

now has taken control of the American Labor Party in New York. It would also be illuminating to read the long list of C. I. O. leaders, white and colored, who attended the first gathering of the Communist Political Association on Sunday in New York.

Certainly, that list goes a long way toward confirming the frequent charges of Mr. John L. Lewis and others that the Communists are in key positions inside the big C. I. O. unions and wield the real power within the organization. As things stand now, Mr. Browder, representing the Communists, and the Messrs. Phillip Murray and Sidney Hillman, representing the C. I. O., are the most ardent and articulate advocates of the fourth term.

The "Liberal" party, composed of the defeated right wing of the American Labor Party, has also declared for Mr. Roosevelt. So has the Daily Worker, the Communist organ, and all the other left-wing newspapers, magazines, and organizations.

It is not true, of course, that all of those who want Mr. Roosevelt for a fourth term are crackpots and radicals. But it is true that all the crackpots and radicals want a fourth term. That vote he has with complete solidity.

Moreover, the activity of this element is so great, its propaganda facilities so extraordinary and its finances so strong that it seems bound to color the fourth-term campaign—even, some think, likely to have more to do with its real management than the Democratic National Committee, itself.

It is not surprising that, as they observe these radical elements rushing to the front, regular Democrats are somewhat appalled. It is not surprising that there should be speculations as to whether in the event of another Roosevelt election, the communistic C. I. O. would not be in position really to take over the Democratic Party. At any rate, there is a great deal more fourth-term enthusiasm evinced at this time among the radicals than among the regulars. And that is logical, too.

**Federal Land Bank and Land Bank
Commissioner Loans**

**SPEECH
OF**

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1944

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

(By unanimous consent, Mr. LEMKE was granted permission to revise and extend his remarks.)

Mr. LEMKE. Mr. Speaker, I know the farm situation. I know it from boyhood experience and from observation more recently. I know it from the time my father paid 12 percent interest and a bonus, and the time when my mother sold eggs for 7 cents a dozen and butter for 6 cents a pound.

I know that we have had a few years of good crops, but I know that there will again be poor crops as well as good. We know that the banks today are willing to loan money at 3 percent. I would like to know why in the world you want to authorize the Federal land bank to raise its rates to 4 percent. The Federal land bank was created to help the farmer, and not to fleece him. The truth is that

whenever we create an agency to help a class that needs help, then in a few years it is so amended, or so misconstrued by the courts, as to become useless. In fact, in the end these agencies become generally the agencies of extortion rather than of aid as originally intended.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. PACE. One thing above all things that we want to do, the Federal Land Bank System is supposed to be farmer-owned and farmer-controlled.

Mr. LEMKE. That is a misstatement of fact. It was supposed to be farmer-owned and farmer-controlled, but it is controlled by the Farm Credit Administration, and the farmer has not got a thing to say about it.

Mr. PACE. Now, why? It is because there are several million dollars of Government money in there and we want to get it out so that the farmers will own it and control it.

Mr. LEMKE. If there are several million dollars of Government money in it, then you had better take it out of the \$1,350,000,000 that you voted for an international W. P. A. Take care of your own people first, and let the foreign people take care of themselves. Charity begins at home. After we have taken care of our own there will be time enough to look after foreigners.

Mr. PACE. I did not vote for it.

Mr. LEMKE. I am glad to hear that.

Mr. POAGE. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. POAGE. The Houston Land Bank has not got a dollar of Federal money in it, but the land bank at St. Paul, that represents the area from which the gentleman comes, has \$151,000,000 of Federal money in it.

Mr. LEMKE. I am not concerned with the Houston Land Bank, because it had its nose in the Federal trough just the same as the others, and so have the people of the State of Texas. They have been milking the Treasury in connection with cotton and other products. But whenever we wish to do something for the rest of the States they object to it.

Now, I repeat the time has come that we should not be sectionally divided. This is one Nation, composed of 48 States, but each State ought to have the decency to cooperate as one for the good of the Nation. This without any sectional preference or sectional favoritism.

We ask that this rate be kept where it was. Former Congressman Bierman in cooperation with some of us is responsible for this 3½ percent on Federal land bank mortgages. He offered the 3½ percent amendment as a compromise for the Frazier-Lemke refinance bill. That is how the Federal land-bank rate was reduced from 5½ to 3½ percent. If it had not been for the fight that we made for the 1½ percent rate at that time, the interest rate in the Houston, Federal land bank would have been 5½ percent and not 3½ percent for the last 8 years.

The Federal Land Bank of Houston and the farmers of Texas have gotten the benefit of this 3½ percent the same

as the people of North Dakota have been getting it. There are just as many busted and broken farmers in the State of Texas today as there are in North Dakota. I can speak from experience because I have defended Texas farmers before the Supreme Court who could not meet their obligations and had to take advantage of the Frazier-Lemke moratorium.

So, let us consider this situation: The private banks are willing to loan money at 3 percent interest, as well as the insurance companies. Here you have an institution created by an act of Congress to help the farmers and you want to raise the rate of interest to 4 percent. That is a higher rate than you can loan money for from the private banks.

It is unjust, and I think it is unfair. I think somewhere behind the scenes there must be some private interest that wants to put the Federal land bank out of business so that private companies can again make all the loans. I have no objection to that if they would make those loans when the hard times come as well as when good times are here.

The SPEAKER. The time of the gentleman from North Dakota has expired.

Repeal of Land Grant Rates on Transportation of Government Traffic

SPEECH
OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 4184) to amend section 321, title III, part 2, transportation act of 1940, with respect to the movement of Government traffic.

Mr. HINSHAW. Mr. Chairman, I withdraw my reservation of a point of order against the pending amendment, and rise in opposition to the amendment.

Mr. BOREN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. RUSSELL. I object, Mr. Chairman.

Mr. BOREN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOREN. If the gentleman will yield further, I want to make it quite clear that there is no disposition on my part to shut off debate, but I want to save as much time as possible so that we can finish the bill today.

Mr. HINSHAW. Mr. Chairman, as I understand the pending amendment, it calls upon the Interstate Commerce Commission to perform a certain act in connection with the equalization of freight rates all over the United States before

this pending measure, which has nothing to do with that, can take effect. I think we all have sympathy with the gentleman from Texas in the matter of freight rates in that area. I hope that some day his State may develop enough traffic to more adequately support the railroads so that they can eventually reduce the rates. In the meantime, however, I am sure that he does not want to entangle that proposition, which is now under study by the Interstate Commerce Commission and also by the committee appointed by the President of the United States under the Transportation Act of 1940.

I trust that the amendment will receive the unfavorable consideration of the Committee, even though I greatly respect the purpose for which it was offered.

Must We Bankrupt Industry's Supply of Trained Technicians?

EXTENSION OF REMARKS
OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1944

Mr. WHITE. Mr. Speaker, in the hysteria of war we rush from one extreme to the other. First we must have unlimited supplies of raw material and commodities of every description, then we find we are oversupplied with many things we cannot use. Now we are draining our schools of the student material on which America must depend for the future technical operation of its industries—if we are not to go into a hopeless recession after the war. This mistaken policy on the part of our Government is brought to our attention in a recent communication from Mrs. J. V. Edeskuty, of the Minneapolis Federation of Women's Clubs, which is inserted herewith for the consideration of my colleagues:

MAY 16, 1944.

WAR SERVICE COMMITTEE,

Vocational Training Chairman,
Fifth District, Minneapolis, Minn.

DEAR SIR: May I ask your cooperation and help on the following information, please?

The war effort, as well as the peace and reconstruction, will depend on our industries and their trained technical men.

What have other countries done to insure an adequate supply of technical men?

Germany and Russia have retained perhaps half their technical students of science; England and Canada conserved most of their students in engineering; Canada has more than twice the pre-war number.

WHAT ARE WE DOING?

For the past 2 years no high school graduates were permitted to enter engineering colleges. This reduced the present number of engineering students from 108,911 to 45,404 in October 1943. In January 1944 this was sharply reduced to 10,000. Of this number 6,800 are now in school. They consist of seniors and juniors.

The latest order is that all engineering students now in school must join the armed forces after June graduation exercises whether they complete their courses or not.

(Quoted from article by Dr. S. C. Lind, dean of the Institute of Technology of the University of Minnesota, in the May Ben of Tau Beta Pi, magazine of an honorary engineering fraternity which only the best students are privileged to enter.) A great majority of these students are given scholarships by industry for post-graduate work, and most of our research workers are developed from this group. They should be permitted to continue their studies.

WHAT HAS BEEN DONE INSTEAD?

In 1944, 2,586 Tau Beta Pi students and graduates have been inducted into the armed forces, and 22 of these have been killed. Such a short-sighted policy can only lead to disaster to our industries, and eventually to our war effort and the peace and reconstruction. All will depend on our trained technical men who cannot be replaced for years to come.

May I urge prompt consideration be given in order to prevent the closing of our engineering colleges? That the present students be permitted to finish their courses in science. That high-grade student graduates be readmitted to colleges for post-graduate work, and that present personnel in essential jobs as essential to the winning of the war, and the winning of the peace be deferred.

With faith in your ability to help in consideration of this appeal.

Very sincerely,

MRS. J. V. EDESKUTY, M. F. W. C.,
MINNEAPOLIS, MINN.

A Partisan War Labor Board

EXTENSION OF REMARKS
OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1944

Mr. HOFFMAN. Mr. Speaker, David Lawrence says unions are out-guessing the War Labor Board. Here are his comments:

When Chairman Davis of the War Labor Board says that it is necessary to seize plants in order to prevent the no-strike pledge from being ignored by labor itself, he is in fact saying that it is necessary to put pressure on the employer in order to win over the employees.

For in many cases the employee unions have maneuvered the situation into one where, after they have called a strike, the War Labor Board has been unable to get jurisdiction over the strikers except by seizing the plant. The administration has never recommended the use of any penalties for striking labor unions, and the idea that the no-strike pledge has been kept is based upon the equivocal statement that strikes which are unauthorized do not count in the tally.

As a matter of fact, labor union leaders frequently maneuver the War Labor Board into the position of seizing a property in order to prove to their constituent members that they are doing something to justify their positions.

AWAKENS TO TENDENCY

The War Labor Board has recently awakened to this tendency and has started to apply some sanctions to striking unions. The National Labor Relations Board has assisted in the process only to receive the condemnation of labor unions. The fact is that as long as the labor unions can get favorable decisions from the War Labor Board and the National Labor Relations Board, they support these decisions, but once the de-

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FEDERAL LAND BANK AND LAND BANK COMMISSIONER
LOANS

MAY 31 (legislative day, MAY 9), 1944.—Ordered to be printed

Mr. BANKHEAD, from the Senate Banking and Currency Committee,
submitted the following

REPORT

[To accompany H. R. 4102]

The Senate Banking and Currency Committee, to whom was referred the bill (H. R. 4102) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, having considered the same, report thereon with a recommendation that it do pass. In support of this bill, the Senate Banking and Currency Committee presents as a part of this report a copy of the report made by the House Committee on Banking and Currency on the same bill.

[H. Rept. No. 1401, 78th Cong., 2d sess.]

Strike out all after the enacting clause, and insert the following:

"That the first sentence of the last paragraph of section 32 (relating to reduction in the interest rate on loans by the Land Bank Commissioner) of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1940 edition, supp. II, title 12, sec. 1016 (i)), is amended to read as follows: 'Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945.'"

Change the title to read: "A bill to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans."

STATEMENT

Federal land-bank loans: The interest rate on Federal land-bank loans made through national farm-loan associations in the continental United States is fixed by law at a rate not exceeding, except with the approval of the Governor of the Farm Credit Administration, 1 percent per annum more than the interest rate borne by the last series of farm-loan bonds, but not to exceed 6 percent (12 U. S. C. 771). On loans to direct borrowers, the rate is one-half of 1 percent per annum

2 FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS.

higher than on loans made through national farm-loan associations (12 U. S. C. 723 (b)). Similarly, the rate of $1\frac{1}{2}$ percent above the bond interest rate may be charged to borrowers in Puerto Rico (12 U. S. C. 672).

The amount of land-bank loans outstanding on December 31, 1942, and the different interest rates stipulated in the loan contracts were as follows:

Rate	Number	Amount	Rate	Number	Amount
4 percent.....	112,260	\$394,559,280.56	5.50 percent.....	163,673	\$348,105,044.33
4.25 percent.....	13,646	44,648,014.27	5.75 percent.....	7	23,269.55
4.50 percent.....	4,161	11,560,977.36	6 percent.....	26,601	50,836,233.82
4.75 percent.....	398	994,364.47	6.50 percent.....	129	640,406.94
5 percent.....	224,049	719,480,519.68			
5.25 percent.....	9,239	31,997,932.63	Total.....	554,163	1,602,846,043.61

¹ All loans at this rate are outstanding in Puerto Rico.

The farm-loan bonds outstanding as of December 31, 1943, and the rates of interest carried by the respective issues, are as follows:

Federal land banks—Consolidated Federal farm-loan bonds outstanding on Dec. 31, 1943

Issue date	Term	Interest rate	Dollar volume
	Years	Percent	
May 15, 1931.....	10-30	$4\frac{1}{2}$	¹ \$266,180,100
July 1, 1931.....	10-12	$4\frac{1}{2}$	124,632,800
July 15, 1934.....	10-30	$4\frac{1}{2}$	70,680,000
Sept. 15, 1934.....	10-30	$4\frac{1}{2}$	¹ 53,911,700
Mar. 15, 1935.....	10-30	$3\frac{1}{2}$	¹ 5,625,500
Do.....	10-30	$3\frac{1}{2}$	¹ 38,592,900
Do.....	10-30	3	¹ 73,824,600
May 1, 1935.....	10-20	$3\frac{1}{2}$	157,278,000
July 1, 1935.....	10-20	3	230,063,700
Jan. 1, 1936.....	10-20	3	170,812,700
May 1, 1936.....	10-20	3	170,264,900
Total.....			1,361,866,900
Amount outstanding Dec. 31, 1941.....			1,716,233,140
Amount outstanding Dec. 31, 1942.....			1,532,687,140
Amount outstanding Dec. 31, 1943.....			1,361,866,900

¹ Entire issue held by Federal Farm Mortgage Corporation.

Reduction of interest paid by Federal land-bank borrowers was first authorized in the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (48 Stat. 43). This act authorized reduction to $4\frac{1}{2}$ percent where the contract rate was higher than that for the period from July 1, 1933, to June 30, 1938, with provision for reimbursement to the Federal land banks from the Federal Treasury in an amount equal to the difference between the effective rate and the contract rate. The act of June 3, 1935 (49 Stat. 314), however, reduced the effective rate to $3\frac{1}{2}$ percent for 1 year from July 1, 1935, and successive reductions to $3\frac{1}{2}$ percent have been authorized by the act of June 24, 1936 (49 Stat. 1912); July 22, 1937 (50 Stat. 521); June 16, 1938 (52 Stat. 709); June 29, 1940 (54 Stat. 684); and June 27, 1942 (56 Stat. 391). The act of June 27, 1942, provided for interest-rate reduction on maturities occurring between July 1, 1942, and June 30, 1944. The acts of June 29, 1940, and June 27, 1942, provided that the effective interest rate on purchase money mortgages and sales contracts should be one-half of 1 percent higher than the effective rate on Federal land-bank loans (in other words, $3\frac{1}{2}$ and 4 percent, respectively).

The appropriations by the Congress to reimburse the Federal land banks for these reductions in interest rates are as follows:

1934.....	\$15,000,000	1941.....	\$28,167,000
1935.....	7,950,000	1942.....	26,800,000
1936.....	36,000,000	1943.....	24,800,000
1937.....	30,000,000	1944.....	21,800,000
1938.....	31,700,000		
1939.....	30,750,000	Total.....	282,667,000
1940.....	29,700,000		

The following consolidated statement shows the condition of the Federal land banks as of December 31, 1943:

Federal land banks—Consolidated statement of condition, Dec. 31, 1943

ASSETS	
Mortgage loans, unpaid principal.....	\$1, 357, 937, 416. 78
Less matured principal unpaid (included in delinquent installments).....	2, 180, 163. 83
	\$1, 355, 757, 252. 95
Purchase money mortgages, contracts, etc., unpaid principal.....	98, 396, 601. 81
Less matured principal unpaid (included in delinquent installments).....	604, 243. 50
	97, 792, 358. 31
Unmatured extensions.....	3, 435, 978. 74
Delinquent installments, advances, etc.....	7, 773, 623. 18
Accrued interest receivable on mortgage loans.....	18, 754, 097. 53
Total.....	1, 483, 513, 313. 71
Less reserve.....	79, 286, 477. 83
Net.....	1, 404, 226, 835. 88
Cash.....	41, 301, 623. 15
Due from the Secretary of the Treasury.....	6, 280, 346. 55
Accounts receivable.....	2, 615, 329. 76
U. S. Government obligations, direct and fully guaranteed (par \$396,392,100).....	398, 415, 606. 54
Other bonds and securities.....	17, 004, 249. 50
Accrued interest receivable on securities.....	1, 641, 698. 53
Real estate owned (investment).....	\$16, 839, 343. 96
Less reserve.....	3, 861, 253. 67
	12, 978, 090. 29
Loans called for foreclosure, judgments, etc. (investment).....	3, 048, 343. 30
Less reserve.....	727, 664. 76
	2, 320, 678. 54
Loans in suspense, security held by Federal Farm Mortgage Corporation (investment).....	2, 997, 687. 23
Less reserve.....	649, 016. 70
	2, 348, 670. 53
Deferred expense.....	6, 568, 969. 07
Other assets.....	\$9, 148, 062. 81
Less reserve.....	3, 788, 944. 78
	5, 359, 118. 03
Total assets.....	1, 901, 061, 216. 37

LIABILITIES

Consolidated Federal farm-loan bonds outstanding ¹	\$1, 361, 866, 900. 00
Less on hand.....	64, 500. 00
	\$1, 361, 802, 400. 00
Matured obligations ²	1, 953, 954. 67
Notes payable.....	3, 052, 531. 32
Accrued interest payable.....	14, 587, 848. 21
Deferred proceeds of loans.....	925, 795. 16
Accounts payable.....	246, 938. 73
Trust accounts.....	9, 648, 325. 24
Payments received on unmatured indebtedness.....	24, 450, 923. 71
Taxes and assessments due on bank-owned real estate.....	60, 865. 66
Other liabilities.....	5, 082, 673. 36

¹ Includes \$1,306,300 bonds sold to national farm loan associations at par under repurchase agreements.

² Federal farm loan bonds matured or called and matured interest on bonds.

4 FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

Federal land banks—Consolidated statement of condition, Dec. 31, 1943—Continued

LIABILITIES—continued

Deferred income.....		\$49, 596. 52
Capital stock owned by:		
U. S. Government.....	\$120, 259, 520. 00	
National farm loan associations.....	85, 480, 827. 50	
Direct borrowers and others.....	2, 517, 930. 00	
		208, 258, 277. 50
Paid-in surplus.....		142, 021, 669. 20
Legal reserve.....		75, 343, 601. 62
Earned surplus.....		53, 575, 815. 47
Total liabilities.....		1, 901, 061, 216. 37

Federal land banks—Consolidated profit and loss statements, 6-month and 12-month periods ended Dec. 31, 1943

	July 1 to Dec. 31, 1943	Jan. 1 to Dec. 31, 1943
EARNINGS		
Interest:		
Mortgage loans.....	\$34, 440, 700 01	\$71, 919, 335. 11
Purchase-money mortgages, contracts, and other.....	3, 825, 359. 63	6, 731, 968. 51
U. S. Government obligations, direct and fully guaranteed, and other securities (net).....	2, 772, 171. 72	5, 000, 529. 99
Total.....	41, 038, 231. 36	83, 651, 833. 61
Other income:		
Loan fees.....	173, 299. 15	260, 863. 66
Miscellaneous.....	16, 301. 21	45, 170. 78
Total.....	189, 600. 36	306, 034. 44
Gross earnings.....	41, 227, 831. 72	83, 957, 868. 05
DEDUCTIONS FROM EARNINGS		
Interest:		
Federal farm-loan bonds (net).....	28, 889, 012. 33	59, 009, 507. 25
Notes payable.....	6, 592. 46	44, 075. 80
Other interest expense.....	418, 649. 55	708, 190. 78
Total.....	29, 314, 254. 34	59, 761, 773. 83
Operating expense.....	35, 631, 916. 70	72, 391, 733. 10
Total deductions from earnings.....	6, 317, 662. 36	12, 629, 959. 27
Net operating earnings.....	5, 595, 915. 02	11, 566, 134. 95
OTHER EARNINGS		
Mortgage loan and real-estate transactions.....	-602, 754. 54	1, 489, 470. 73
Profit on sale of securities.....	182, 832. 69	821, 972. 29
Miscellaneous other earnings.....	185, 875. 48	267, 512. 88
Total other earnings.....	-234, 046. 37	267, 512. 88
OTHER DEDUCTIONS		
Mortgage loan and real-estate transactions.....	765, 473. 27	4, 132, 701. 27
Loss on sale of securities.....	2, 063. 98	39, 698. 43
Total other deductions.....	767, 537. 25	4, 172, 399. 70
Net profit before adjustment of reserves.....	4, 594, 331. 40	9, 972, 691. 15
Adjustment of reserves (net).....	5, 148, 225. 85	8, 633, 972. 43
Net profit after adjustment of reserves.....	-553, 894. 45	1, 338, 718. 72

The Land Bank Commissioner loans: The Emergency Farm Mortgage Act, approved May 12, 1933 (12 U. S. C. 1016 (c)), fixes the rate on Land Bank Commissioner loans "at not to exceed 5 percent per annum." This has uniformly been the contract rate on these loans. The first statute providing for payment of interest by borrowers on Land Bank Commissioner loans at rates lower than the contract rate was the act of July 22, 1937 (50 Stat. 521), which fixed the effective

rate at 4 percent between that date and June 30, 1939. The act of June 16, 1938 (52 Stat. 709), extended this period for 1 year to June 30, 1940. The act of June 29, 1940, reduced the effective rate to $3\frac{1}{2}$ percent on maturities occurring from July 1, 1940, to June 30, 1942. This was continued for an additional 2 years to June 30, 1944, by the act of June 27, 1942. This latter act also provided for a 4-percent effective rate on purchase money mortgages and sales contracts held by the Federal Farm Mortgage Corporation.

On December 31, 1943, the Land Bank Commissioner loans outstanding totaled \$406,190,206, or over \$106,000,000 less than they were on the same date in 1942, when the total was \$512,197,416.

The Federal Farm Mortgage Corporation bonds outstanding as of December 31, 1943, and the rates of interest carried by the respective issues, are as follows:

Federal Farm Mortgage Corporation—Federal Farm Mortgage Corporation bonds outstanding on Dec. 31, 1943

Issue date	Term	Interest rate	Dollar volume
	Years	Percent	
Mar. 15, 1934	10-30	$3\frac{1}{4}$	\$94,678,600
May 15, 1934	10-15	3	835,085,600
Total			929,764,200
Amount outstanding Dec. 31, 1941			1,269,387,900
Amount outstanding Dec. 31, 1942			976,764,200
Amount outstanding Dec. 31, 1943			929,764,200

The appropriations by the Congress to reimburse the Federal Farm Mortgage Corporation for these reductions in interest rates are as follows:

1938	\$7,500,000	1943	\$9,000,000
1939	8,200,000	1944	7,400,000
1940	7,425,000		
1941	10,000,000	Total	59,125,000
1942	9,600,000		

However, inasmuch as the Federal Farm Mortgage Corporation is entirely owned by the United States Government, these appropriations by the Congress amount to no more than bookkeeping entries.

From the foregoing, it will be observed that for the 11-year period, July 1, 1933, to June 30, 1944, the Congress, through these several acts and appropriations, has granted the borrowers from the Federal land banks and the Federal Farm Mortgage Corporation reductions in their interest charges totaling \$341,792,000.

The committee believe these reductions were fully justified, in fact necessary, for during most of this period the farmers were providing the people of the Nation with food and fiber at less than the cost of production.

But since the last act (June 27, 1942) providing for these interest reductions, there have been two notable developments, namely:

First. There have been substantial improvements in farm prices and farm income. The producers are paying off the mortgages on their farms at a greatly accelerated rate and are in better position to pay a rate of interest at least equal to the cost of money and the expense of making and servicing the loan.

Second. All of the Federal land banks have voluntarily reduced the interest rate on outstanding loans made through the associations to 4 percent per annum, commencing July 1, 1944. This rate will continue throughout the life of the loans and will not require any payment or reimbursement from the United States Treasury. In addition, the land banks are now making new loans at 4 percent, and with economies in operation and the reduced cost of money they plan to continue indefinitely to make loans at 4 percent.

The following is the announcement on September 30, 1943, by the Governor of the Farm Credit Administration with regard to the reduction in interest to go into effect on July 1, 1944:

"Action has been taken by the 12 Federal land banks which will assure a third of a million land-bank borrowers continued low interest rates and at the same time will save the Federal Treasury approximately \$20,000,000 in the next fiscal year, A. G. Black, Governor of the Farm Credit Administration, announced today.

"The action will substitute a 4-percent interest rate for higher rates on 98 percent of the loans made by the land banks prior to June 25, 1935. Some earlier loans were written at rates as high as 6 percent.

"Practically all land-bank loans made since June 1935 carry a 4-percent interest rate. In Puerto Rico, where land-bank-loan rates have been from $4\frac{1}{2}$ to 6 $\frac{1}{2}$ percent in the past, the rate for all loans will be standardized at 4 $\frac{1}{2}$ percent.

"Since 1933 land-bank borrowers have paid lower rates of interest than originally provided for in their loans, under legislation which Congress passed in that year and which has been renewed from time to time since then. The current legislation, which makes up out of Federal funds the difference between the original loan interest rates and the reduced rates, expires June 30, 1944. Upon expiration of this legislation the action of the land banks becomes effective.

"The action of the land banks will make continuation of this subsidy unnecessary unless Congress determines to continue the present rate of 3 $\frac{1}{2}$ percent," Governor Black said. "In any event it guarantees farmers that their interest rates through the life of their loans will not exceed 4 percent.

"The land banks' 4-percent rate is the lowest at which farmers generally ever have been able to obtain long-term mortgage credit," Governor Black said.

"The 5- and 6-percent loans were low-cost loans when made. They reflected the cost of money in the bond market at those times. Since then the Federal land banks have refinanced their highest-rate bonds, and the voluntary reduction by the banks of the higher interest rates on their older loans is simply passing on to their borrowers the savings made possible by cooperative action."

In addition, it is the judgment of the committee that it will prove to the long-time interest of the farmers of the Nation to put farm credit on a sound and self-supporting basis as soon as possible and as rapidly as the financial condition of the farmers will permit. As long as drains are made upon the Treasury in order to pay subsidies in connection with farm credit, there remains constant criticism of the system and the constant danger of the critics gaining sufficient influence to destroy the system. It means too much to the farmers of the Nation now and in the years to come to entertain any thought of its destruction or the continuance of any practices which would justify its impairment.

The committee have therefore concluded that it is in the interest of the farmers of the Nation and of the welfare of the Nation that the reduction of interest to the rate of 3 $\frac{1}{2}$ percent per annum on land-bank and Commissioner loans be discontinued upon the expiration of the present authority for such reductions and that the voluntary flat rate of 4 percent on land-bank loans be accepted. Therefore the bill as amended and reported by the committee deals only with the Commissioner loans. As stated above, the rate on these loans will return to 5 percent per annum on July 1 unless legislative action is taken prior to that time.

The committee feel that 5 percent interest on this type of long-time loan, considering the present supply of money, its cost, and the fact that these loans are secured by real estate which is now worth considerably more than at the time the loans were negotiated, is too high at the present time. While it is true that the outstanding bonds of the Federal Farm Mortgage Corporation bear interest at 3 percent, they are all callable not later than May 15 of this year and can be refinanced at a less rate of interest. It is believed that an interest rate to the borrower of 4 percent will be sufficient to pay the cost of the money and the cost of negotiating and servicing these loans. For these reasons, we are reporting and recommending that the rate of interest on these Commissioner loans for the period of time July 1, 1944, to June 30, 1945, be fixed at 4 percent per annum.

The present authority to make Commissioner loans will expire on July 1, 1945, and it is anticipated that before that date this committee and the Congress will consider legislation touching on the question of whether or not these Commissioner loans should be made after the expiration of the present authority and whether changes should be made in the amount of loans which the Federal land banks are now authorized to make. Of course, at that time this question of interest rate will be considered by the committee and the Congress.

Therefore the single purpose of the bill as reported by the committee is to fix the interest rate on Commissioner loans from 1 year at 4 percent as against 3 $\frac{1}{2}$ percent now charged and 5 percent after June 30 unless this bill is enacted. If the present authority should be continued for another 2 years with the rate of 3 $\frac{1}{2}$ percent on both land-bank and Commissioner loans, it is estimated that the charge against the Treasury would be \$11,700,000 for the fiscal year 1945, and \$9,900,000 for the fiscal year 1946, as indicated by the following statement:

Estimated amounts required for interest reductions, fiscal years 1945 and 1946, if provisions of present act extended to July 1, 1946

	Federal land banks	Federal Farm Mortgage Corporation
For fiscal year 1945.....	\$6,500,000	\$5,200,000
For fiscal year 1946.....	5,600,000	4,300,000

The bill as reported does not deal with nor seek to reduce the interest rate on purchase-money mortgages of either land banks or the Federal Farm Mortgage Corporation. After June 30, these will bear 5-percent interest and this rate appears justified on account of the higher percentage of the value of the property which remains unpaid under these mortgages. After paying purchase mortgages down to 50 percent of the value of the security the borrower can secure a 4-percent loan from the Federal land bank, or after paying a purchase-money mortgage held by either the land banks or the Federal Farm Mortgage Corporation down to 75 percent of the normal value of the security, the borrower will be able to secure a 4-percent land bank and Commissioner loan. The amount of purchase-money mortgages outstanding is shown by the following statement:

	Dec. 31, 1943	Dec. 31, 1942
Purchase-money mortgages:		
Federal land banks	\$98,396,602	\$114,850,768
Federal Farm Mortgage Corporation.....	19,520,033	20,728,246
Total.....	117,916,635	135,579,014

Neither does this bill treat with the interest rate on direct land bank loans or with loans made in Puerto Rico. Under the law, these are both fixed at one-half of 1 percent interest more than other loans, but under the law 10 or more holders of direct loans are authorized to form an association and thereby secure a reduction of one-half to 1 percent, or to 4 percent, in their interest charges.

The committee respectfully recommends passage of the bill as amended.

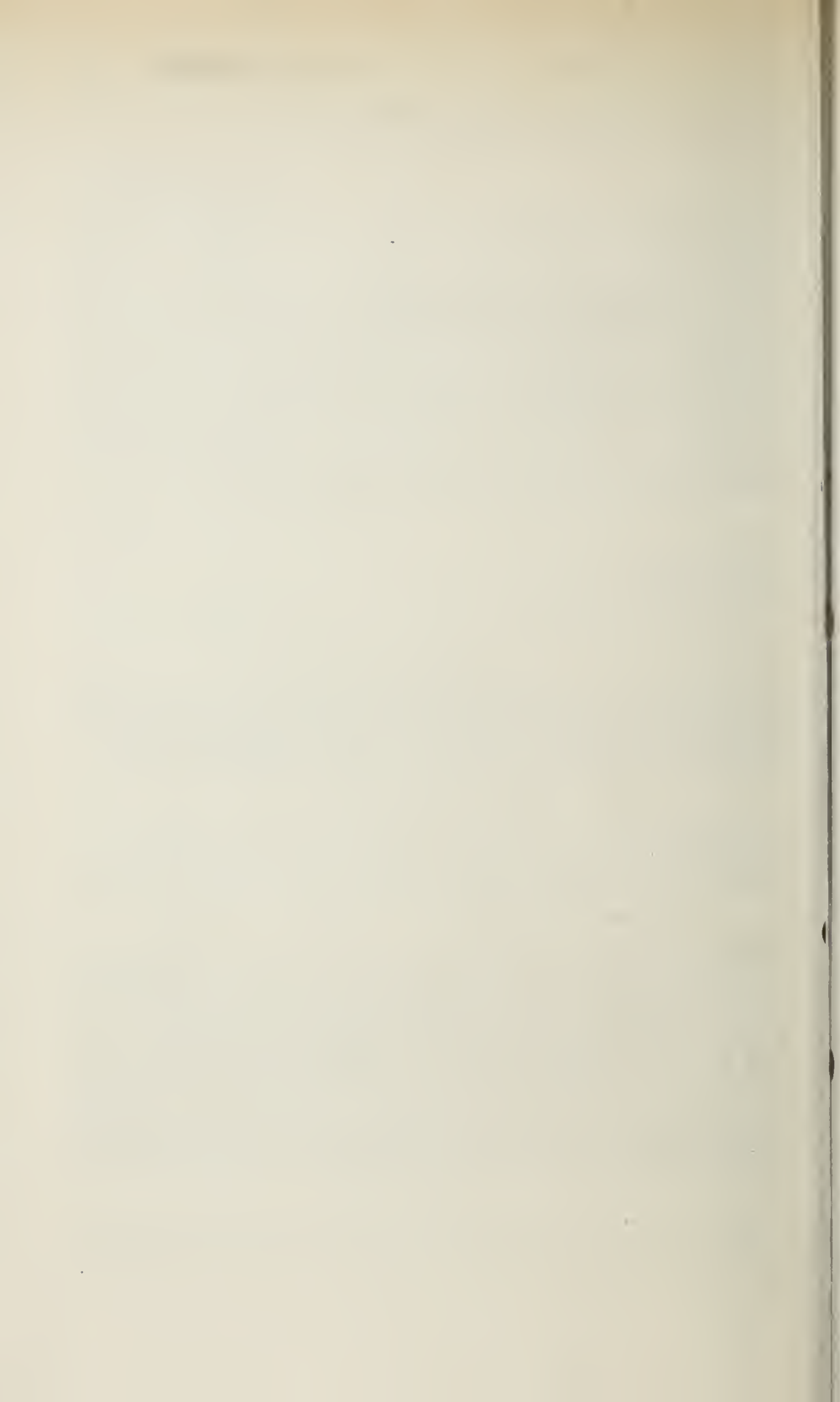
CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

"EMERGENCY FARM MORTGAGE ACT OF 1933, AS AMENDED

"SEC. 32 * * *

"(Last paragraph:) Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944 [.] , and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real-estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944."



Calendar No. 940

78TH CONGRESS
2D SESSION

H. R. 4102

[Report No. 927]

IN THE SENATE OF THE UNITED STATES

MAY 25 (legislative day, MAY 9), 1944

Read twice and referred to the Committee on Banking and Currency

MAY 31 (legislative day, MAY 9), 1944

Reported by Mr. BANKHEAD, without amendment

AN ACT

To extend for one additional year the reduced rate of interest
on Land Bank Commissioner loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of the last paragraph of section 32
4 (relating to reduction in the interest rate on loans by the Land
5 Bank Commissioner) of the Emergency Farm Mortgage Act
6 of 1933, as amended (U. S. C., 1940 edition, Supp. II, title
7 12, sec. 1016 (i)), is amended to read as follows: "Not-
8 withstanding the foregoing provisions of this section, the
9 rate of interest on loans made under this section shall not,
10 exceed 4 per centum per annum for all interest payable on
11 installment dates occurring on or after July 22, 1937, and

1 prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ per centum
2 per annum for all interest payable on installment dates oc-
3 ccurring on or after July 1, 1940, and prior to July 1, 1944,
4 and shall not exceed 4 per centum per annum for all interest
5 payable on installment dates occurring on or after July
6 1, 1944, and prior to July 1, 1945.”

Passed the House of Representatives May 24, 1944.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

To extend for one additional year the reduced rate of interest on Land Bank Commissioner loans.

May 25 (legislative day, May 9), 1944
Read twice and referred to the Committee on
Banking and Currency

May 31 (legislative day, May 9), 1944
Reported without amendment



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, WEDNESDAY, MAY 31, 1944

No. 98

Senate

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our fathers' God, author of liberty, Thou dost behold the goodly heritage of our fair land where, amid the noisy ongoing of life's busy traffic, are guarded the sacred islands of tranquillity where rests the dust of warrior hosts. From sea to sea of the homeland this radiant morning, where the grass has been trodden by reverent feet, and in little patches of foreign soil, where is kept the bivouac of our valiant dead, on countless graves we see the cross and the flag blending in their mute testimony. May that cross interpret the flag for our steadfast yet anxious hearts in this dread hour as the sharpened arrow of our might is pulled on the taut string of national strength. May that cross speak to the flag of strength that is increased by its spending, of life that is saved by its losing, of greatness that is measured by its serving.

Our glad hearts rejoice that by the sacrifice of which that linked cross and flag is the symbol—

"O'er the mounds where sleep the slaughtered,

Fired by hopes for which they died,
Lured by dreams which arched their heavens—

Human rights so long denied;
From the jealous feuds of ages
Moves a conquering army's van;
'Tis the crusade of the nations
For the brotherhood of man."

Amen.

THE JOURNAL

On request of Mr. GUFFEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 29, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller,

one of his secretaries, and he announced that on May 29, 1944, the President had approved and signed the act (S. 683) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1941) to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3054) to amend the Expediting Act.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 87. Concurrent resolution authorizing the disposal of certain obsolete Government publications now stored in the folding rooms of the Congress; and

H. Con. Res. 88. Concurrent resolution authorizing the printing of additional copies of the report (No. 1311) of the Special Committee on Un-American Activities of the House of Representatives, dealing with the leadership of the Congress of Industrial Organizations Political Action Committee.

ENROLLED BILL SIGNED DURING RECESS

Under authority of the order of the 29th instant,

The ACTING PRESIDENT pro tempore, on May 30, 1944, signed the enrolled bill (S. 1758) to amend section 451 of the Tariff Act of 1930, and for other purposes, which had been signed previously by the Speaker of the House of Representatives.

CALL OF THE ROLL

Mr. GUFFEY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Reynolds
Austin	Guffey	Robertson
Bankhead	Hatch	Russell
Bilbo	Hawkes	Shipstead
Buck	Hayden	Stewart
Burton	Holman	Taft
Butler	Jackson	Thomas, Idaho
Byrd	Johnson, Colo.	Tobey
Capper	La Follette	Truman
Caraway	McClellan	Tunnell
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Murdock	Weeks
Downey	Murray	Wheeler
Eastland	Nye	Wherry
Ellender	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Wilson
Gerry	Radcliffe	
Gillette	Reed	

Mr. GEORGE. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from Connecticut [Mr. MALONEY], the Senator from South Carolina [Mr. SMITH], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Kentucky [Mr. BARKLEY], and the Senator from Alabama [Mr. HILL] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the senior Senator from South Dakota [Mr. GURNEY], the junior Senator from South Dakota [Mr. BUSHFIELD], the Senator

from North Dakota [Mr. LANGER], the Senator from Indiana [Mr. WILLIS], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Oklahoma [Mr. MOORE].

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Sixty-seven Senators having answered to their names, a quorum is present.

WORK OF THE JUVENILE COURT, DISTRICT OF COLUMBIA

The ACTING PRESIDENT pro tempore (Mr. DOWNEY) laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on the District of Columbia:

To the Congress of the United States:

I transmit herewith for the information of the Congress a communication from the judge of the Juvenile Court of the District of Columbia, together with a report covering the work of the Juvenile Court during the fiscal year 1942-43.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 31, 1944.

[NOTE.—The report accompanied a similar message to the House of Representatives.]

RESOLUTIONS OF WATERBURY LITHUANIAN-AMERICAN COUNCIL

Mr. DANAHER. I present and ask to have printed in the RECORD and appropriately referred a letter which has come to me under date of May 28, 1944, from the Waterbury Lithuanian Council. The letter embodies resolutions adopted by the council.

There being no objection, the letter embodying the resolutions was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

WATERBURY LITHUANIAN-AMERICAN COUNCIL,
Waterbury, Conn., May 28, 1944.

HON. JOHN A. DANAHER,
United States Senate,
Washington, D. C.

Hon. JOHN A. DANAHER: On May 28, 1944, some 574 delegates from all cities and towns in Connecticut gathered at a special conference at St. Joseph's Hall in Waterbury, Conn. The conference was arranged to commemorate the twenty-fourth anniversary of the first national conference in free Lithuania, the fortieth anniversary of the freedom of the Lithuanian press and the twentieth anniversary of the return of Klaipeda (Memel) to Lithuania.

The following resolutions were adopted:

"Whereas the Lithuanian-Americans of Connecticut, in union with their fellow Americans throughout the Nation, recognize that the most urgent problem of the day is the prosecution of the war to an early and victorious conclusion; and

"Whereas we Americans of Lithuanian origin have a very particular stake in its successful outcome, in the conviction that only an Allied victory can bring happiness and freedom to our mother country and its people: Be it

"Resolved, That we pledge our wholehearted support to every measure taken for the successful prosecution of the war and for the hastening of the day of victory, by the leaders of our Nation and of the United Nations;

"And that, in the name of the thousands of our young men now serving in the fighting forces, and in memory of those among them

who have already made the supreme sacrifice, we enjoin upon the executive board of the Lithuanian-American Council and its associates to urge, by every means available, the united cooperation of all Americans of Lithuanian descent in the promotion of the war effort; by an ever-increasing purchase of War bonds, by sustained effort in every phase of war production, by the salvage of all essential materials, and by loyal compliance with the directives of our national and local governments.

"Whereas the Lithuanian-Americans of Connecticut are keenly aware of the tragic plight of their mother country today under the evils of Nazi oppression, and are anxiously concerned over its position in post-war readjustments: Be it

"Resolved, That we emphatically assert the right of Lithuania to its existence in a post-war world as a free and independent nation; as well as our unequivocal opposition to any scheme or plan that would infringe upon this right or do violence to its territorial integrity. To this end, we call upon our fellow countrymen, whether in America or in other parts of the world, to put aside all secondary differences of opinion or political persuasion, and to unite in the common effort for the restoration of Lithuania to its rightful position among the peace-loving nations of the world."

Respectfully yours,

ALEXANDER J. ALEKSIUS,
Chairman.
CONSTANCE C. JEGELA,
Secretary.

POST-WAR PLANNING—RESOLUTION OF CONNECTICUT POST-WAR PLANNING BOARD

Mr. DANAHER. Mr. President, I also ask unanimous consent to have printed in the RECORD and appropriately referred a letter which I have received from Mr. Charles Seymour, who is president of Yale University and also acting at the present time as chairman of the State of Connecticut Post-War Planning Board. Attached to his letter is a resolution. I should like both the resolution and letter to appear in the body of the RECORD, and I ask unanimous consent to that effect.

There being no objection, the letter and resolution were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

STATE OF CONNECTICUT,
POST-WAR PLANNING BOARD,
New Haven, Conn., May 29, 1944.

The Honorable JOHN A. DANAHER,
United States Senate,
Washington, D. C.

DEAR SENATOR DANAHER: I beg to enclose a resolution which was passed by the Connecticut Post-war Planning Board at its meeting on May 24 upon the recommendation of its committee on medical care and health, requesting that it be forwarded to you for your interest and such help as you may find yourself in a position to give.

With warm personal regards, believe me,
Faithfully yours,

CHARLES SEYMOUR.

RESOLUTION REGARDING EDUCATION AND RE- TRAINING OF MEDICAL STUDENTS AND DOCTORS PROPOSED BY THE MEDICAL CARE AND HEALTH COMMITTEE OF THE CONNECTICUT POST-WAR PLANNING BOARD AND ADOPTED BY THE CON- NECTICUT POST-WAR PLANNING BOARD ON MAY 24, 1944

Whereas the education received by a great number of medical graduates has been curtailed by the war, medical-school programs have been accelerated and hospital internships have been reduced to 9 months in order

that more graduates might be made available as medical officers for the armed forces; and

Whereas medical officers of an older age group, who were in practice at the time of their entry into military service, may because of the exigencies of the war find that their experiences in the Army have deprived them of the knowledge of substantial scientific advances in medicine; and

Whereas some supplemental training will be required for both these groups if the quality of medical care available to our people in the future is not to deteriorate: Now, therefore, be it

Resolved, That the Connecticut Post-war Planning Board, at the request of its committee on medical care and health, respectfully urges that provision for the resumption of interrupted intern and hospital residency training for graduates in medicine and provision of appropriate supplemental medical training for medical officers honorably discharged from the military service be included in the law providing for the education and training of veterans of this war.

REPORT OF BANKING AND CURRENCY COMMITTEE DURING RECESS

Under authority of the order of the 29th instant,

Mr. WAGNER, on May 30, 1944, from the Committee on Banking and Currency, to which was referred the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), reported it with amendments and submitted a report (No. 922) thereon.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Military Affairs:

S. 1100. A bill to provide for the promotion of officers on the retired list of the Army after specified years of service on active duty; with an amendment (Rept. No. 923).

By Mr. DOWNEY, from the Committee on Military Affairs:

H. R. 1046. A bill for the relief of David B. Turpel; without amendment (Rept. No. 924).

By Mr. WILSON, from the Committee on Military Affairs:

H. R. 1675. A bill to amend section 9 of the Pay Readjustment Act of 1942 (Public Law 607) by providing for the computation of double-time credits awarded between 1898 and 1912 in determining retired pay; without amendment (Rept. No. 925).

By Mr. WILSON (for Mr. GURNEY) from the Committee on Military Affairs:

H. R. 3604. A bill authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes; without amendment (Rept. No. 926).

By Mr. BANKHEAD, from the Committee on Banking and Currency:

H. R. 4102. A bill to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans; without amendment (Rept. No. 927).

By Mr. CAPPER, from the Committee on Claims:

H. R. 2469. A bill for the relief of Anna Charack; without amendment (Rept. No. 928).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 3125. A bill for the relief of Paul H. White; without amendment (Rept. No. 929);

H. R. 3137. A bill for the relief of Ruth L. Clapp; without amendment (Rept. No. 930);

H. R. 3924. A bill for the relief of the Postal Telegraph-Cable Co.; without amendment (Rept. No. 931);

June
8

H. R. 4102

IN THE SENATE OF THE UNITED STATES

JUNE 8 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WHEELER to the bill (H. R. 4102) to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans, viz:

- 1 On page 2, lines 3, 4, 5, and 6, strike out the following:
- 2 "and prior to July 1, 1944, and shall not exceed 4 per
- 3 centum per annum for all interest payable on installment
- 4 dates occurring on or after July 1, 1944,".

78TH CONGRESS
2d Session

H. R. 4102

AMENDMENT

Intended to be proposed by Mr. WHEELER to the bill (H. R. 4102) to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans.

JUNE 8 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

78TH CONGRESS
2^D SESSION

H. R. 4102

IN THE SENATE OF THE UNITED STATES

JUNE 8 (legislative day, MAY 9), 1944

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. WHEELER to the bill (H. R. 4102) to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans, viz:

1 On page 2, line 6, before the quotation marks insert a
2 new sentence, as follows: "Notwithstanding the interest rate
3 provided for in so-called purchase-money mortgages and
4 real estate sales contracts taken by the Federal Farm
5 Mortgage Corporation, the rate of interest payable on such
6 mortgages and contracts shall not exceed 4 per centum per
7 annum for all interest payable on installment dates occurring
8 on and after July 1, 1944, and prior to July 1, 1945."

9 At the end of the bill insert a new section as follows:

10 "SEC. 2. (a) The first sentence of paragraph Twelfth

1 of section 12 (relating to the $3\frac{1}{2}$ per centum interest rate
2 on Federal land bank loans) of the Federal Farm Loan Act,
3 as amended (U. S. C., 1940 edition, Supp. II, title 12,
4 sec. 771), is amended by striking out 'occurring within a
5 period of nine years commencing July 1, 1935' and insert-
6 ing in lieu thereof 'occurring within a period of ten years
7 commencing July 1, 1935.'

8 " (b) The fifth sentence of said paragraph Twelfth (re-
9 lating to the 1944 time limit on payments made by the
10 United States to land banks on account of such interest reduc-
11 tion) is amended to read as follows: 'No payments shall be
12 made to a bank with respect to any period after June 30,
13 1945.' "

Amend the title so as to read: "An Act to extend for one
additional year the reduced rates of interest on Federal land
bank and Land Bank Commissioner loans."

78TH CONGRESS
2^D Session

H. R. 4102

AMENDMENTS

Intended to be proposed by Mr. WHEELER to the bill (H. R. 4102) to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans.

JUNE 8 (legislative day, May 9), 1944

Ordered to lie on the table and to be printed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, THURSDAY, JUNE 8, 1944

No. 105

Senate

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hunter M. Lewis, B. D., assistant minister, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, who in times past didst lead our forefathers from lands of oppression, opening before them in the wilderness a new land which by Thy gracious providence has become great among the nations of the world: We beseech thee to continue to us the vision that thou didst reveal to them of a land of freedom and justice and brotherhood. Bless all those to whom Thou hast committed the government of our Nation and of every nation allied with us in the cause of freedom from oppression. Be with all who go forth in the defense of our country and in the cause of humanity, especially those who are pressing forward in the liberation of Europe. Sustain them wherever they may serve, on land, sea, or in the air. Heal the wounded, restore the sick, comfort the prisoners, and receive the dying into Thine eternal safekeeping.

We give thee thanks, O God, for the goodly heritage that Thou has given to us in those who have sacrificed their lives in the cause of human liberation, and we pray that, following their examples of courage, endurance and steadfastness, we may serve Thee well in our turn, holding high the ideals for which they have died, and leaving to those who come after us an inheritance uncorrupted by tyranny and undefiled by fear, that our heroes may not have laid down their lives in vain. We ask it in the Name and for the sake of Him who died for our eternal freedom, Thy Son, Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 8, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. BENNETT C. CLARK, a Senator from the State of Missouri, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. CLARK of Missouri thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. THOMAS of Utah, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 7, 1944, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Radcliffe
Austin	Green	Reed
Ball	Guffey	Revercomb
Bankhead	Gurney	Reynolds
Barkley	Hatch	Robertson
Bilbo	Hawkes	Russell
Brewster	Hayden	Shipstead
Bridges	Hill	Stewart
Buck	Holman	Taft
Burton	Jackson	Thomas, Idaho
Bushfield	Johnson, Colo.	Thomas, Okla.
Butler	Kilgore	Thomas, Utah
Byrd	La Follette	Tobey
Capper	Lucas	Truman
Caraway	McClellan	Tunnell
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Davis	Millikin	Weeks
Downey	Moore	Whcelser
Eastland	Murdock	Wherry
Ellender	Murray	White
Ferguson	Nye	Wiley
George	O'Daniel	Willis
Gerry	Overton	Willson

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Maryland [Mr. TYDINGS], and the Senator from South Carolina [Mr. SMITH] are detained on public business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from

Florida [Mr. PEPPER] are necessarily absent.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Illinois [Mr. BROOKS] and the Senator from North Dakota [Mr. LANGER].

The ACTING PRESIDENT pro tempore. Eighty-one Senators have answered to their names. A quorum is present.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 7, 1944, that committee presented to the President of the United States the following enrolled bill and joint resolution:

S. 1941. An act to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended; and

S. J. Res. 133. Joint resolution to extend the statute of limitations in certain cases.

ENROLLED JOINT RESOLUTION SIGNED DURING RECESS

Under authority of the order of the 7th instant,

During the last recess of the Senate the Acting President pro tempore (Mr. JACKSON) signed the enrolled joint resolution (S. J. Res. 133) to extend the statute of limitations in certain cases, which had been signed previously by the Speaker of the House of Representatives.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate petitions of sundry citizens representing various real-estate companies and corporations of New York City, N. Y., praying for amendment of the rent-control section of the Emergency Price Control Act so as to remove alleged inequities therefrom, which were ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McFARLAND (for himself and Mr. MURDOCK), from the Committee on the Judiciary:

H. R. 3241. A bill to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes; with amendments (Rept. No. 956).

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. J. Res. 241. Joint resolution requesting the President to urge upon the governments of those countries where the cultivation of the poppy plant exists, the necessity of immediately limiting the production of opium to the amount required for strictly medicinal and scientific purposes; without amendment (Rept. No. 957).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 1988. A bill to place glider units of the Army and Navy on the same parity as to pay allowances and privileges as now given to the air forces of the Army and Navy and paratroops; to the Committee on Military Affairs.

By Mr. BARKLEY:

S. 1989. A bill to provide for water-pollution-control activities in the United States Public Health Service, and for other purposes; to the Committee on Commerce.

AMENDMENT OF PAY READJUSTMENT ACT—AMENDMENT

Mr. WHEELER submitted an amendment intended to be proposed by him to the bill (H. R. 1506) to further amend the Pay Readjustment Act of 1942, and for other purposes, which was ordered to lie on the table and to be printed.

REDUCTION IN INTEREST RATE ON LAND BANK COMMISSIONER LOANS—AMENDMENTS

Mr. WHEELER submitted amendments intended to be proposed by him to the bill (H. R. 4102) to extend for one additional year the reduced rate of interest on Land Bank Commissioner loans, which were ordered to lie on the table and to be printed.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS—AMENDMENT

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.), which was ordered to lie on the table and to be printed.

AVIATION COLLECTION OF THE SMITHSONIAN INSTITUTION

Mr. WHERRY. Mr. President, I have just seen an advance copy of the July issue of Flying magazine. Under its report from Washington, the editors state that the Smithsonian Institution has "the best aviation collection of any museum in the world."

Flying says:

The present collection is muted, mangled and badly displayed, and that the visitor has to keep reminding himself there is a war on. There is no way of knowing that in the last 10 years we have established, once and for all, that we are the greatest aviation Na-

tion in the world, the greatest builders of aircraft. The impression one brings away is that we patted Wiley Post, Lindbergh, and the other distance-flight boys on the back, racked up their planes and returned to contemplating the horse and buggy.

Thus we face a peculiar paradox: On the one hand, we have a collection of aviation museum pieces which, so far as it goes, is unrivaled in the world; on the other hand, we have one of the worst because it fails to bring the dramatic story of aviation up to date, because it is miserably housed.

Mr. President, I suggest that we give recognition to this unfortunate situation. Any post-war planning for Federal construction, should contemplate and develop aviation to the prominence it deserves. Plans should be made now, as it is highly fitting and proper that the deeds of United States airmen now battling in the cause for democracy be properly documented, displayed and preserved for future generations. We must not only protect the priceless treasures already available, and those which will become available in the future, but by all means we should provide a shrine for those now making United States flying history on the battle fronts of the world. I ask consent to submit a resolution looking toward the attainment of these ends.

I also ask unanimous consent to have the resolution printed in the Record at this point as a part of my remarks, and referred to the appropriate committee for consideration.

There being no objection, the resolution (S. Res. 307) was received and referred to the Committee on Public Buildings and Grounds, as follows:

Whereas the Smithsonian Institution has one of the world's most valuable aviation collections;

Whereas lack of space has seriously handicapped the effective display of such collection, and has prevented the addition thereto of exhibits reflecting recent progress in aviation;

Whereas as a world leader in the field of aviation, the United States should take steps to preserve for future generations a complete historical record of its contributions to the development of aviation: Therefore be it

Resolved, That the Committee on Public Buildings and Grounds or any duly authorized subcommittee thereof is authorized and directed to make a full and complete study and investigation of exhibition facilities at the Smithsonian Institution with a view to ascertaining what additional facilities are necessary to provide for the proper display of aviation exhibits now in the possession of such institution and to provide adequate space for the housing and display of such additional exhibits as may be acquired for the purpose of bringing up to date and maintaining a complete aviation collection. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with its recommendations as to the construction immediately after the war of such additional facilities as may be found to be necessary.

ADDRESS BY SENATOR RUSSELL TO WEST VIRGINIA BANKERS ASSOCIATION

[Mr. RUSSELL asked and obtained leave to have printed in the Record an address delivered by him at the anniversary meeting of the West Virginia Bankers Association at Charleston, W. Va., on June 2, 1944, which appears in the Appendix.]

COMMENCEMENT DAY ADDRESS BY THE SECRETARY OF THE NAVY AT THE NAVAL ACADEMY

[Mr. WALSH of Massachusetts asked and obtained leave to have printed in the Record the address delivered by Hon. James Forrestal, Secretary of the Navy, to the one hundred and fourth graduating class at the United States Naval Academy on June 7, 1944, which appears in the Appendix.]

PAY AS WE GO AMENDMENT TO THE CONSTITUTION—ARTICLE BY SENATOR TYDINGS

[Mr. BYRD asked and obtained leave to have printed in the Record an article entitled "Why I Propose a Pay-as-We-Go Amendment," written by Senator TYDINGS and published in the June 10, 1944, issue of the Saturday Evening Post, which appears in the Appendix.]

THE PROPAGANDA PROBLEM—EDITORIAL COMMENT FROM THE CATHOLIC WORLD

[Mr. WHEELER asked and obtained leave to have printed in the Record editorial comment appearing under the heading "The propaganda problem," published in the Catholic World for June 1944, which appears in the Appendix.]

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (S. 1764) to amend the Emergency Price Control Act of 1942 (Public Law 421, 77th Cong.) as amended by the act of October 2, 1942 (Public Law 729, 77th Cong.).

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment beginning on page 11, line 20, relating to cotton textiles. The senior Senator from Alabama is entitled to the floor.

Mr. BANKHEAD. Mr. President, I hope Senators will not insist on being recognized for the presentation of papers, records, and the like for 20 minutes or so. If I may proceed I can conclude before lunch time.

Mr. WHERRY. Mr. President, will the Senator repeat his statement? I did not hear it.

Mr. BANKHEAD. I stated that I hoped Senators would not urge me to yield for statements, or for the presentation of documents. I should like to conclude by the time Senators wish to go to lunch, and yesterday 30 or 40 minutes were taken up in the presentation of documents, and things of that sort, after I was recognized. I shall be glad to yield to Senators as soon as I conclude my statement. I do not mind being interrupted during my remarks for discussion of any topic which develops in connection with them, if Senators desire to interrupt.

Mr. President, I should like to have the attention of Senators, especially those who do not fully understand the pending amendment, and I hope I may have the opportunity to present to them the reasons why the amendment should be agreed to. Of course, it is difficult, in presenting a relatively new proposition, when the attention of Senators cannot be secured to a real discussion intended to appeal to reason and to furnish information.

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counting warrant and enlisted service for longevity. This bill removes this disparity. I note that the bill was reported by you on May 29, 1944, and is Order No. 930 on the Senate Calendar. I hope that you will be able to call the bill up and obtain Senate approval of this important measure before the Senate adjourns.

Sincerely yours,

DAVID I. WALSH.

Mr. JOHNSON of Colorado. Mr. President, section 1 of the bill, as amended, would permit the following services to be counted for purposes of longevity pay:

Service in the Medical Reserve Corps of the Navy.

Service in the Dental Reserve Corps of the Navy.

Service in the Coast and Geodetic Survey.

Section 2 would equalize the pay of masters and chief engineers in the Army Mine Planter Service and would authorize the counting of service in the enlisted Reserve Corps of the Army and the Officers Reserve Corps of the Army in the computation of the pay of commissioned warrant officers and warrant officers.

Under existing law masters in the Army Mine Planter Service are entitled to receive \$30 or \$40 per month more than chief engineers, although both are chief warrant officers and their qualifications, duties, and responsibilities are comparable. Section 2 of this bill corrects that inequitable and unfair pay treatment of chief engineers who are chief warrant officers.

Under section 3 enlisted men would be authorized to count time served in the Officers Reserve Corps of the Army.

Section 4 would clarify a ruling of the Comptroller General so that service in the Medical Reserve Corps would be counted in the computation of such commissioned officers. Such a provision was intended to authorize such computation under the act of December 2, 1942, but the Comptroller General was not satisfied that said act so provided.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] to the committee amendment on page 4, line 21.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 1506) was read the third time and passed.

DISPOSITION OF PRIZES CAPTURED BY THE UNITED STATES

The bill (H. R. 4348) to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes," was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF GEORGETOWN COUNTY, S. C., TO CHARLESTON DIVISION, EASTERN JUDICIAL DISTRICT OF SOUTH CAROLINA

The bill (S. 1877) to transfer Georgetown County, S. C., from the Florence

division to the Charleston division of the Eastern Judicial District of South Carolina was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Georgetown County, S. C., of the eastern judicial district of South Carolina, be, and it is hereby, detached from the Florence division of said district and attached to the Charleston division of said district.

PROMOTION OF OFFICERS ON RETIRED LIST OF THE ARMY

The Senate proceeded to consider the bill (S. 1100) to provide for the promotion of officers on the retired list of the Army after specified years of service on active duty, which had been reported from the Committee on Military Affairs, with an amendment, to strike out all after the enacting clause and insert:

That all retired officers of the Army below the grade of colonel who, since August 27, 1940, have performed or shall perform active service shall be permanently promoted on the retired list as follows: (a) Second lieutenants, first lieutenants, captains, majors, and lieutenant colonels whose names were borne on the promotion list prior to retirement shall be promoted to the respective grades of first lieutenant, captain, major, lieutenant colonel, and colonel immediately upon completing respectively 3 years', 10 years', 17 years', 23 years', and 28 years' service; (b) first lieutenants, captains, majors, and lieutenant colonels whose names were borne on the nonpromotion list prior to retirement, except officers of the Medical Administrative Corps, shall be promoted to the respective grades of captain, major, lieutenant colonel, and colonel immediately upon completing respectively 3 years', 12 years', 20 years', and 26 years' service; (c) officers of the Medical Administrative Corps who have been or may be retired as such in the grade of second lieutenant or first lieutenant shall be promoted to the respective grades of first lieutenant and captain immediately upon completing, respectively, 5 years' and 10 years' service: *Provided*, That any retired officer heretofore or hereafter advanced in grade either under the provisions of section 1 of the act of June 21, 1930 (46 Stat. 793) as amended by the act of June 15, 1935 (49 Stat. 377) or the provisions of the act of June 13, 1940 (54 Stat. 382) as amended by the act of July 9, 1942 (Public Law 664, 77th Cong.) shall for the purposes of promotion under this act be deemed to hold and be entitled to be promoted from the grade upon which his retired pay is computed.

SEC. 2. No service shall be credited in computing the right to promotion under section 1 hereof except active commissioned service under a Federal appointment and commissioned service in the National Guard when called out by order of the President, plus all active duty performed after retirement.

SEC. 3. Officers promoted under the provisions of section 1 hereof, and not otherwise so entitled, shall be entitled to receive retired pay computed on the basis of the grade to which they are promoted.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I should like to have some member of the Committee on Military Affairs explain the bill. Perhaps the Senator from Utah [Mr. THOMAS] can do so. Would the bill have the effect of increasing the retired pay of these officers or would it merely affect their rank?

Mr. THOMAS of Utah. I feel sure that it would not increase their pay, because their pay is reckoned on their service as officers in the regular service and not as retired officers.

Mr. CONNALLY. But the title of the bill reads:

To provide for the promotion of officers on the retired list of the Army after specified years of service on active duty.

I thought it might refer to retired officers who might be called back for temporary duty and who would then get the benefit of the additional service.

Mr. THOMAS of Utah. I am not familiar with the bill.

Mr. CONNALLY. I will ask the Senator from Colorado, although I should like to hear from both Senators for that matter. Let me ask the Senator from Colorado if the bill (S. 1100) to provide for the promotion of officers on the retired list of the Army after specified years of service on active duty would have the effect of increasing their retired pay or simply of giving them the honor of promotion.

Mr. JOHNSON of Colorado. It is intended in effect to increase their pay. It is to stabilize their longevity, and it will make some adjustments in certain conditions which at the present time discriminate against some of the men in the armed service. I have a letter which I received today from the chairman of the Naval Affairs Committee urging that this bill be enacted.

Mr. WALSH of Massachusetts. Mr. President, if the Senator will permit me, let me say that the Navy Department urges favorable action on this bill, and so does the Army.

Mr. JOHNSON of Colorado. Is the Senate considering House bill 1506?

Mr. CONNALLY. No; it is considering Senate bill 1100.

Mr. JOHNSON of Colorado. I apologize. I was told it was Calendar No. 930, House bill 1506.

Mr. CONNALLY. It is Calendar No. 936, Senate bill 1100. We have already passed House bill 1506, to further amend the Pay Readjustment Act. I suggest that the bill go over.

The ACTING PRESIDENT pro tempore. Senate bill 1100 will be passed over.

DAVID B. TURPEL

The bill (H. R. 1046) for the relief of David B. Turpel was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF PAY READJUSTMENT ACT OF 1942

The bill (H. R. 1675) to amend section 9 of the Pay Readjustment Act of 1942 was considered, ordered to a third reading, read the third time, and passed.

APPOINTMENT OF CHIEF OF CHAPLAINS TO TEMPORARY RANK OF MAJOR GENERAL

The bill (H. R. 3604) authorizing the appointment of the Chief of Chaplains to the temporary rank of major general, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

REDUCED RATE OF INTEREST ON LAND BANK COMMISSIONER LOANS

The bill (H. R. 4102) to extend for 1 additional year the reduced rate of interest on Land Bank Commissioner loans was considered, ordered to a third reading, read the third time, and passed.

ANNA CHARACK

The bill (H. R. 2469) for the relief of Anna Charack was considered, ordered to a third reading, read the third time, and passed.

PAUL H. WHITE

The bill (H. R. 3125) for the relief of Paul H. White was considered, ordered to a third reading, read the third time, and passed.

RUTH L. CLAPP

The bill (H. R. 3137) for the relief of Ruth L. Clapp was considered, ordered to a third reading, read the third time, and passed.

POSTAL TELEGRAPH-CABLE CO.

The bill (H. R. 3324) for the relief of the Postal Telegraph-Cable Co. was considered, ordered to a third reading, read the third time, and passed.

BYRON ENNIS

The bill (H. R. 3654) for the relief of Byron Ennis, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF WILLIAM SANDLASS

The bill (H. R. 4074) for relief of the estate of William Sandlass, was considered, ordered to a third reading, read the third time, and passed.

RELEASE OF LAND GRANTED TO COUNTY OF LOS ANGELES

The bill (H. R. 905) to release all the right, title, and interest of the United States in certain land constituting a portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act of March 24, 1933, as amended, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF CHARLES NOAH SHIPP

The Senate proceeded to consider the bill (S. 1464) for the relief of the estate of Charles Noah Shipp, deceased, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of," to strike out "\$10,000" and insert "\$7,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Charles Noah Shipp, deceased, a mechanic's helper at the time of his death, the sum of \$7,500, in full settlement of all claims against the United States for the death of Charles Noah Shipp, April 2, 1943, as the result of being run over by an Army tank on that date, which was being operated by a soldier in the service of the United States Army, which occurred on the right-of-way of United States Highway No. 31W, a public highway, of Hardin County, Ky., between Radcliff and Fort Knox, in Hardin County: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANK BAPTISTE

The bill (H. R. 2788) for the relief of Frank Baptiste, was considered, ordered to a third reading, read the third time, and passed.

DR. H. H. SMITH

The bill (H. R. 3098) for the relief of Dr. H. H. Smith, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM E. WIDBY

The bill (H. R. 3674) for the relief of William E. Widby, was considered, ordered to a third reading, read the third time, and passed.

WESIX ELECTRIC HEATER CO.

The bill (H. R. 3739) for the relief of the Wesix Electric Heater Co., was considered, ordered to a third reading, read the third time, and passed.

HARRY SCHULTZ

The bill (H. R. 3977) for the relief of Harry Schultz, was considered, ordered to a third reading, read the third time, and passed.

DUFFY BROS., INC.

The Senate proceeded to consider the bill (H. R. 2576) to confer jurisdiction upon the Court of Claims to determine and render judgment for any loss suffered by Duffy Bros., Inc., which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the word "losses", to insert "(excluding any amount claimed for accrued interest thereon)."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

LESSIE C. SELMAN

The bill (H. R. 1668) for the relief of Lessie C. Selman, was considered, ordered to a third reading, read the third time, and passed.

EDWIN H. TAYLOR, JR.

The bill (H. R. 1682) for the relief of Edwin H. Taylor, Jr., was considered, ordered to a third reading, read the third time, and passed.

BROADUS D. BOLAND AND W. E. BOLAND

The Senate proceeded to consider the bill (H. R. 1755) for the relief of Broadus D. Boland, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "appropriated", to insert "the sums of \$654.75"; at the beginning of line 6, to insert "and \$225 to W. E. Boland"; on line 7, before the words "in full settlement", to strike out "the sum of \$500"; on line 10, after the word "which", to strike out "he was" and to insert "they were."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read "An act for the relief of Broadus D. Boland and W. E. Boland."

CLARENCE P. HALE, JR.

The bill (H. R. 2405) for the relief of Clarence P. Hale, Jr., was considered, ordered to a third reading, read the third time, and passed.

CHARLES W. KIRBY

The bill (H. R. 2605) for the relief of Charles W. Kirby was considered, ordered to a third reading, read the third time, and passed.

JOINT COMMITTEE TO ARRANGE FOR THE INAUGURATION OF PRESIDENT-ELECT

The concurrent resolution (S. Con. Res. 4) was considered and agreed to, as follows:

Resolved, etc., That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1945.

PUNISHMENT FOR VIOLATIONS OF SELECTIVE TRAINING AND SERVICE ACT

The bill (S. 1936) to amend the Selective Training and Service Act of 1940 by making it a criminal offense to possess unlawfully or to reproduce various certificates issued pursuant thereto was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 11 of the Selective Training and Service Act of 1940 (act of September 16, 1940, 54 Stat. 894, U. S. C., title 50, App., sec. 311) be, and the same is hereby, amended by inserting at the end thereof a new subsection reading as follows:

"(b) Any person (1) who knowingly transfers or delivers to another, for the purpose of aiding or abetting the making of any false identification or representation, any registration certificate, alien's certificate of non-residence, or any other certificate issued pursuant to or prescribed by the provisions of this act, or rules or regulations promulgated hereunder; or (2) who, with intent that it be used for any purpose of false identification or representation, has in his possession any such certificate not duly issued to him; or (3) who forces, alters, or in any manner changes any such certificate or any notation duly and validly inscribed thereon; or (4) who, without lawful authority, photographs, prints, or in any manner makes or executes any engraving, photograph, print or impression in the likeness of any such certificate, or any colorable imitation thereof; or (5) who has in his possession any certificate purporting to be a certificate issued pursuant to this act, or rules and regulations promulgated hereunder, which he knows to be falsely made, reproduced, forged, counterfeited, or altered; or (6) who knowingly violates or evades any of the provisions of this act or rules and regulations promulgated pursuant thereto relating to the issuance, transfer, or possession of such certificate, shall, upon conviction, be fined not to exceed \$10,000 or be imprisoned for not more than 5 years or both. Whenever on trial for a violation of this subsection the defendant is shown to have or to have had possession of any certificate not duly issued to him, such possession shall be deemed sufficient evidence to establish an intent to use such certificate

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[PUBLIC LAW 387—78TH CONGRESS]

[CHAPTER 329—2D SESSION]

[H. R. 4102]

AN ACT

To extend for one additional year the reduced rate of interest on Land Bank Commissioner loans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the first sentence of the last paragraph of section 32 (relating to reduction in the interest rate on loans by the Land Bank Commissioner) of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1940 edition, Supp. II, title 12, sec. 1016 (i)), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945."

Approved June 30, 1944.

